TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES, OFFICIAL STATEMENTS AND STATISTICS

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The TOKYO GAZETTE is published monthly by the Tokyo Gazette Publishing House under the supervision of the Bureau of Information, Prime Minister's Department. Its purpose is primarily to supply information concerning the nature of problems being confronted today by the Japanese nation as a whole, and of the governmental steps being taken to solve these problems.

The material in the TOKYO GAZETTE is selected mainly from the *Weekly Report*, edited by the Bureau of Information. The accuracy and comprehensiveness of data presented in the *Report* are fully established. For the benefit of students of Japanese affairs, the TOKYO GAZETTE is endeavouring to maintain these qualities in the hope that its publication will eliminate unfortunate misunderstandings and thus contribute to world peace and international goodwill.

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THE GROWTH OF POST OFFICE LIFE INSURANCE

BOARD OF INSURANCE

AT the end of November, 1938, the total value of outstanding contracts in post office life insurance reached 5,000 million yen, in round figures, while the total number of contracts exceeded 31,000,000. That is to say, 387 contracts per 1,000 persons of the population of Japan were in effect at that time.

This great popularity enjoyed by the postal insurance system in Japan compares favourably with leading Western countries ; in fact, the Japanese system occupies the third highest place, following that of Great Britain and of the United States, both in number and value of contracts. When, however, it is remembered that the Japanese system, started in 1916, was only 22 years old last November, while those of Great Britain and the United States are some 80 and 60 years old respectively, the remarkable growth of postal insurance in this country must be regarded as unparalled.

This growth, as has previously been explained,[1] is due to the easy terms of the contracts, to the public character of the undertaking, and above all to the essential contributions the system has made to national life, particularly in stabilizing and improving the economic life of the wage-earning classes.

Stages of Development

In leading up to the present state of development, the Japanese postal insurance system has gone through several stages. When it was first started in 1916, the maximum amount of policies was kept down to 250 yen in view of the economic conditions of the classes forming the objective of the system. With the general development of the economic life of the nation, however, this was raised to 350 yen in 1922, to 450 yen in 1926 and to 700 yen in October, 1938. Another phase of development was recorded in 1931 when the system of insuring children above 3 years of age was inaugurated ; this was revised in October, 1938 lowering the minimum age requirement to one year of age. Premium rates were also lowered at the same time.

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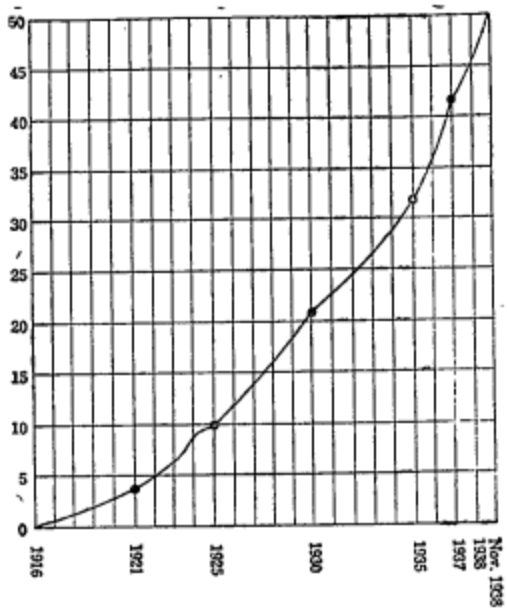
[1] See an article entitled " The Trend of Post Office Life Insurance " in the May (1938) number of TOKYO GAZETTE.

Since this system functions as a means of saving, the endeavours of the mass of the people to cooperate with the Government in carrying out the national savings policy in connection with the current emergency have been reflected lately in the increased number of contracts. While it took 6 years and 8 months to attain the first 50 million yen goal and thereafter an average of 2 years and 4 months to register an increase of the same amount, the space of time required for increases since 1935 has shortened greatly as shown in the case of the last 500 million of the 5,000 million yen goal which required only 5 months.[2]

GROWTH OF POST OFFICE LIFE INSURANCE

Shown with Reference to Value of Contracts, by Stages of Development



* In hundred million yen.

TABLE SHOWING RECENT INCREASES OF 500 MILLION YEN IN VALUE OF CONTRACTS STARTING FROM THE 2,500 MILLION YEN LEVEL

Value of Contracts	Time When Attained	Time Required for Attainment
¥ 3,000,000,000	May, 1935	23 months
3,500,000,000	Sept., 1936	16 months
4,000,000,000	Sept., 1937	12 months
4,500,000,000	June, 1938	9 months
5,000,000,000	Nov., 1938	5 months

Promoting National Savings and Health

The amount received by the post office life insurance in premiums totalled 2,210,000,000 yen by the end of July, 1938; the amount

[2]That the speed with which this last increase was achieved surpassed all expectations may be seen from the following quotation taken from the May, 1938 article previously cited. "It is possible that *within a few years* the value of contracts outstanding will exceed 5,000 million yen."

paid out as insurance money, surrender values and rebates totalled 767,000,000 yen ; the fund reserved for payment of insurance money amounted to 1,600,000,000 yen. This reserve fund is invested largely in public utility enterprises. Loans are also granted from it, under strict Government supervision, to finance public welfare projects such as the building of hospitals and schools. Of late, however, investment in the loans of the national and local governments has been heavy. Thus, this system of insurance has not only promoted national savings but also has cooperated directly in carrying out national financial policies, particularly under the current emergency. The development and increasing popularity of the system, therefore, is desirable from the point of view of national purposes as well as of the welfare of the people.

With regard to the measures carried out by the system for promoting national health, a full account was given in the previous article. Certain statistical data, however, may be of interest to readers. According to the latest returns, the number of persons who were served at the 230 medical consultation stations throughout the country during the past year amounted to more than 7,910,000 and those served by travelling physicians and nurses in 5,720 places to more than 3,000,000. Figures for those treated by physicians, surgeons and dentists under contract with the system have not been available to date. Campaigns for promoting health through literature, movies and other means have been directed not only toward policy holders but toward the entire population. The popular " radio gymnastics " broadcast by the Radio Corporation of Japan since 1928 was originally planned by the Bureau of Post Office Insurance as a measure for promoting national health. The scope of these direct and indirect services will expand in proportion to the growth of the insurance system in the number of policy holders and in the value of contracts. Th recent attainment of the 5,000 million yen goal will accordingly afford new opportunities for real service to the nation.

Wartime Provisions

With the outbreak of the China Affair, several emergency measures have been adopted such as the validating of contracts taken out by those in the services after going to the front, the granting them of the privilege of delaying payment of premiums for the policies held by themselves and their families until their return home, and the immediate payment of insurance money in full at local post offices on the application of beneficiaries of the war

dead. The privilege of medical treatment, which is confined to policy holders, is also extended to the members of families of those in the services at the front. Actually, considerable numbers of those privileged under this emergency measure have been receiving medical treatment. Such emergency measures can be carried out without serious difficulties only by State enterprises operating on large scales. Here lies the real strength and worth of the Japanese postal insurance system. The authorities, however, are not content with the present achievement, remarkable as it may have been ; but, with the cooperation of the nation, are endeavouring further to develop the system for greater usefulness in keeping with national purposes.

THE CHINA AFFAIRS BOARD

BUREAU OF INFORMATION, PRIME MINISTER'S DEPARTMENT

A central institution to carry on the important work of aiding in the construction of the new China and of realizing a new order in East Asia was created on December 16, 1938 with the inauguration of the China Affairs Board. Need had been felt for a powerful administrative organ to direct the task of development in China, a task with which the very existence of Japan is allied and which naturally includes problems of the utmost importance.

Last year, with the success of the military operations at Hankow, the China Affair entered a new phase wherein the work of reconstruction was to be undertaken side by side with military operations. Previously, concrete plans for the creation of a central administrative organ had been seriously discussed by the Army, Navy and Foreign Departments. Early in October, the Cabinet formally decided on the establishment of the institution now known as the China Affairs Board, which came into being on December 16th upon the promulgation of Imperial Ordinances concerning the Organization of the China Affairs Board and of the Liaison Office of the China Affairs Board, and concerning Amendments on the Organization of the Foreign Office.

As an explanation of the purpose with which the Board was created, we quote here from the address delivered by the then Prime Minister Prince Konoe on the occasion of its inauguration. Prince Konoe stated :

> " The ultimate objective of the present hostilities, as has been enunciated on various occasions, does not stop with victory in arms but rather lies in the reconstruction of China and the establishment of a new order in the Far East based on the principle of cooperation between Japan, Manchoukuo and China. The overthrow of the anti-Japanese, pro-Comintern Régime of Chiang Kai-shek must lead the people of China to recognize the rationality and justice of cooperating with Japan, politically, economically and culturally.
>
> " In pursuance of this task the China Affairs Board has been created. The Board endeavours, on the one hand, to coordinate and unify the various forces at home directed toward the consummation of the achievements of the China Affair and, on the other, to keep in close touch through its Liaison Division

with the actual developments in China. Creation of the China Affairs Board will enable the Government to conduct more efficiently the planning and execution of construction work in East Asia and will thereby hasten the attainment of the ultimate objective of the present conflict."

Thus, the China Affairs Board serves as a connecting link between the Government and the operations in China, presenting a united front in the prosecution of national policies. Created in connection with and existing for the duration of the China Affair, the new Board is presided over by the Prime Minister. Exclusive of purely diplomatic affairs, its business comprises (1) political, economic and cultural problems relating to the China Affair; (2) the study and investigation of governmental policies to be taken in regard to the matters coming under the above category; (3) supervision of the operations of the companies established under special laws for the purpose of doing business in China as well as the control of the business transactions in China by persons who are so engaged; (4) the maintenance of unity in the administrative affairs of the different Government Offices relating to China.

Accordingly, the activity of the Board covers a wide field, political, economic and cultural, in which is included the problems of cooperation with the new Governments in China, the supervision of the North China Development Company and the Central China Promotion Company and matters relating to the culture and welfare of the Chinese people. In its organization, the Board is divided into various Bureaus, besides the President's Secretariat, including the Political, Economic, Cultural and Technical Bureaus. The Prime Minister is the President *ex officio* and is assisted by the Foreign, Finance, Army and Navy Ministers as Vice-Presidents. The Director-General of the Board is Lieutenant-General Heisuke Yanagawa and under him are fifty officers and sixty clerks.

As the result of the taking over of cultural work in China by the China Affairs Board, the Bureau in the Foreign Office which hitherto had charge of this work has changed its name and will devote itself to international cultural affairs, excluding those in China. Other minor changes took place in the organization of the Foreign Office and of the Department of Overseas Affairs.

As for the place where the Liaison Division of the China Affairs Board is to be established and the area within which it will function, these will be chosen and designated by the Prime Minister. It may be added that there is additionally a Liaison Committee whose duty it is to promote unity among the different Government Departments with reference to the undertakings of the China Affairs Board.

WAR AND THE SUPPLY OF FOOD

DEPARTMENT OF AGRICULTURE AND FORESTRY

IN relation to the peculiar feature of modern war as a war for exhaustion of the national strength of the enemy, the question of supplying food assumes far greater importance than has generally been realized. In this connection, the statement of the late General Helmuth von Moltke to the effect that Germany might be destroyed not by defeat in battle but by shortage of food is recalled with new and weightier implications. Among the necessities of life, food plays a decisive part in creating the sense either of security or of unrest in our national life. The " Rice Uprising " of 1918 was a clear case of such a sense of insecurity. In time of emergency therefore, the securing of an abundant supply of food, more abundant than in time of peace, and the maintenance of prices of articles of food in keeping with the purchasing power of the people become imperative.

Modern war, however, tends to sap the requirements for national stability and to cause shortages in foodstuffs through discrepancies in their supply and demand and consequent rises in their prices.

In time of war, the labour power in agriculture is generally lowered through the calling to the colours of a large number of men in the farming population, the moving of an equally large number of them into munitions industries, a decrease in farm animals caused by the requisition of horses, and the rise in wages of agricultural workers. There will also be considerable decreases in cultivated areas and in the efficiency of agricultural operations on account of the rise in prices or shortage of supply of fertilizers and agricultural implements. Furthermore, despite the increasing cost of agricultural production caused by a general rise in prices, apparently contradictory measures such as the artificial checking of increases in prices of foodstuffs in order to adjust them to the purchasing power of consumers will undoubtedly be called for.

Thus, while there lie dormant in the realm of production many factors for obstructing the production of foodstuffs and decreasing the supply of food, the volume of consumption tends, on the contrary, to expand by the increase of the purchasing power, particularly of workers, through the prosperity in munitions and related industries. Such a situation characterized by decreased

production and increased consumption, in proportion to the length of duration of the hostilities and the enlargement of their scope, threatens the foundation of supply and demand of foodstuffs and causes the collapse of social and national life, thereby creating a most inportant cause for complete defeat in war.

Experiences of the World War

What ultimately decided the fate of the Central Powers in the Great War is said to have been not the inferiority of their armed strength but the failure in their supply of food. The Russian Revolution started with a food uprising at Petrograd. The collapse of Germany, which had not allowed any of the Allied forces to enter its territory in the face of wants and difficulties for the period of four years, was mainly due to the disturbances developed out of the feeling of unrest caused by the shortage of food. The German plan of securing its supply from overseas by reducing the British Navy was frustrated through the indecisive character of the Battle of Jutland.

A significant fact, in this connection, was that practically all belligerent nations as the war was prolonged suffered from shortage of food. The case of Great Britain, which, even in time of peace, depends upon imports for 80 per cent of its supply of foodstuffs, does not need to be taken as typical. The cases of France and Italy, which had attained self-sufficiency in food supply, deserve careful study. Most unexpected was the experience of the United States, which was regarded as the granary for Europe and which exported 7–8,000,000 tons of wheat annually in the first years of the War. A decrease in production from 27,250,000 tons in 1915 to 17,400,000 tons in 1916 is something that shows the serious effect of war upon the production of foodstuffs. In the case of Germany decreases were 17 per cent in the first year and 43 per cent in the fourth year of the War. The following table shows the conditions in Great Britain, France and Italy in respect of wheat production.

(In Million Quintals)

	5-Year Averages before the War	1914	1915	1916
Great Britain	17.1	17.0	20.1	16.5
France	80.6	79.9	60.6	58.4
Italy	49.7	46.2	46.4	48.0

Emergency measures carried out by these countries to increase the production of foodstuffs, facilitating and ensuring their imports, and finally economizing in their consumption are well known. Even such a step as the mixing of straw-powder in baking bread has been reported in connection with the German measures.

The Situation in Japan

Visitors from abroad since the outbreak of the present conflict with China have invariably been impressed with the peaceful life of the Japanese nation. In reality, except for the scenes of sending off those called to the colours, the streets of Tokyo reflect not only the peaceful but also the prosperous life of its citizens. Where does this peace of mind and peaceful life come from? It is true, the entire nation comprehends the true significance of the present conflict and has unshakable conviction in Japanese victory. But another factor that has contributed to this happy state of affairs has been a sufficient supply of the principal articles of food.

The sending over of an Army of unprecedented size to the Asiatic Continent has not interfered with the production not only of principal articles of food, such as rice and wheat, but also of vegetables and fruit; in all of these Japan is self-sufficient. The nation may suffer from a shortage of meat, but this can be adequately supplemented by an abundant and cheap supply of fish and other sea foods. The rice crop for 1938, the second year of the China Affair, about which great concern was felt because of visitations of typhoons and floods almost all over the country, was estimated just before the harvest to be 64,080,000 koku[1] in Japan Proper, a slight increase over the average for the past five years. In Korea it was estimated to be 23,500,000 koku, a normal crop. Since the annual consumption of rice in Japan, amounting approximately to 76,000,000 koku, has been made possible by bringing in some 10,000,000 and 5,000,000 koku from Korea and Formosa respectively, the present (fiscal) year will end with a surplus of 5–6,000,000 koku. So long as there are industrious farmers who labour silently and perseveringly, not to speak of the climatic and other blessings of nature, the supply of food in Japan is ensured, even under the present emergency.

Governmental Measures

The Government, however, has not remained idle but has endeavoured further to safeguard this most important phase of the home front. Governmental measures began with the enactment of the Agrarian Adjustment Law[2] and the Agricultural Insurance Law, both of which were approved by the 73rd session[3] of the Diet, as

[1] The actual amount as announced on Jan. 24, 1939 was 65,869,092 koku. The koku is a Japanese measure of capacity equal to 4.9629 bushels.

[2] See an article entitled "On the Law for Agrarian Adjustment" in the March-April 1938 number of TOKYO GAZETTE.

[3] December, 1937—March, 1938.

steps for establishing the foundation of agricultural productive power. As emergency measures for relieving the shortage of labour power, such steps as the organization of labour service corps especially designed to help the families of those called up in their farm work, the planning and carrying out of the cooperative working plan on the basis of communities in villages, and the encouragement of common use of implements and animals, water and other power facilities have been taken. The adoption of a system of indemnity against losses in the importation of sulphate of ammonia and the enactment of the Temporary Law Concerning Control of Distribution of Fertilizers in respect to fertilizers and the carrying out of measures for encouraging the use and increasing production of coarse feedstuffs and the enactment of the Law Concerning Control of Fodder Distribution in respect to fodder have also been taken as practical steps for preventing the diminution of agricultural productivity.

Steps taken for ensuring the supply of rice have included technical measures, such as those for preparing against unfavourable climatic conditions, since the Rice Control Law and the Law Concerning Voluntary Control of Rice, which have been in force for some time, have functioned satisfactorily. As an emergency measure for assuring rice for military use, however, the Law Concerning Emergency Disposal of Rice has recently been enacted.

Thus Japan is fully prepared for the so-called long-term hostilities, particularly in respect of the supply of food, which is generally considered to be one of the most vulnerable points in a modern nation at war.

THE SITUATION IN CHINA

I

—ACHIEVEMENTS OF THE IMPERIAL ARMY DURING THE LATTER HALF OF 1938—

BUREAU OF INFORMATION, WAR DEPARTMENT

New Year's Day of 1938 saw Japan in possession of Nanking in her drive against the Chiang Kai-shek Régime; that of 1939 saw her in possession of the three Wuhan cities many miles up the Yangtze River and of Canton, the stronghold of South China. This article will review the activities of the Imperial Army from July, 1938 to the end of the year.

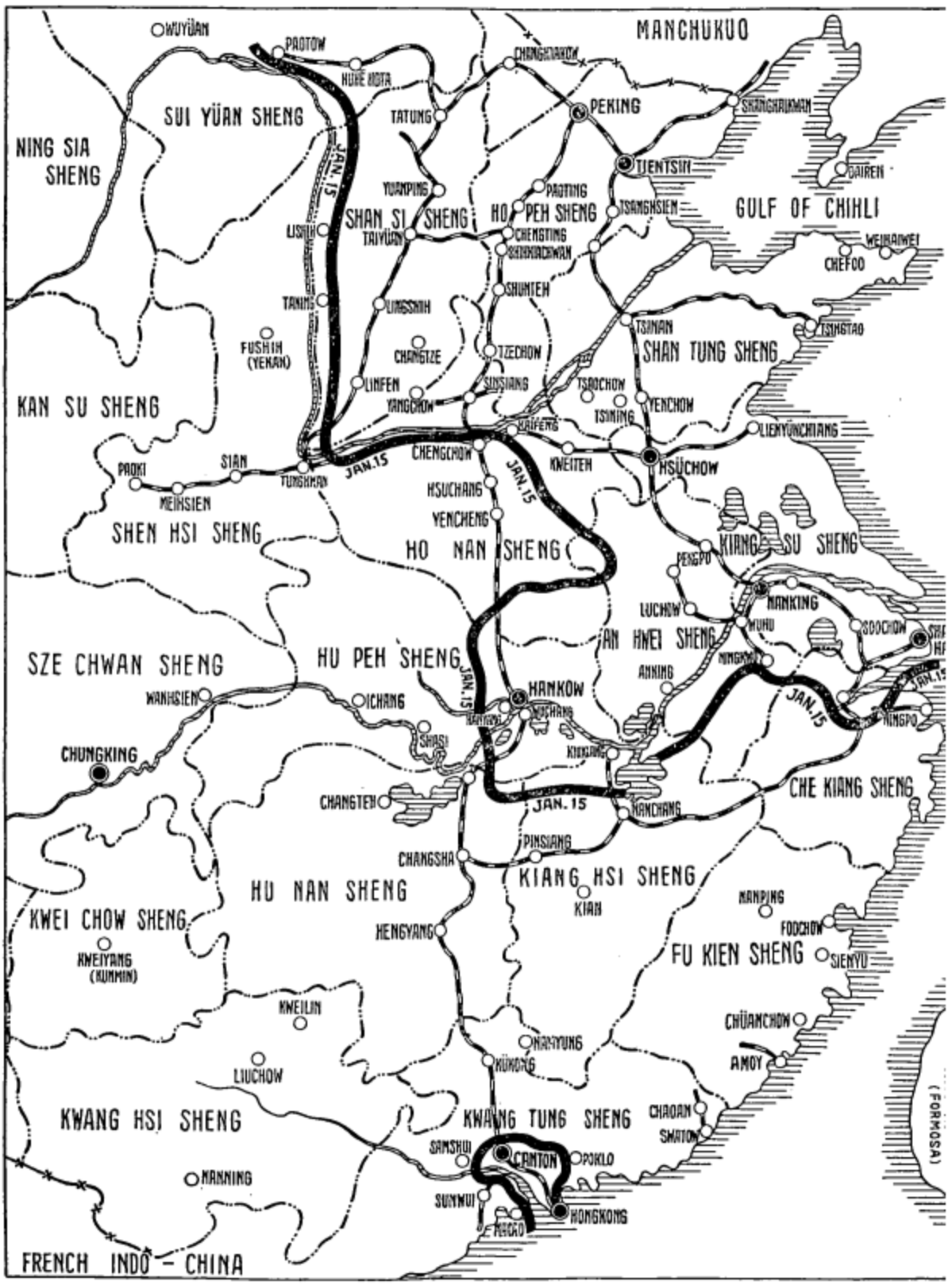
The Changkufeng Incident

Last May, when the battle of Hsuchow had been successfully completed, the Japanese forces started immediate preparations for a pincer movement against Hankow. On July 11th, however, a clash occurred between Japanese and Soviet troops on the Manchoukuoan-Soviet border; the clash became known as the Changkufeng Incident.

It is not yet clear what motivated the Soviet Union to precipitate this incident. One version has it that the new Soviet commander of border patrols in the Possiet District, who assumed office following the flight into Manchoukuo of General Genrich Samoilovich Lueshkov, found that Wuchiatze, Shuiliufeng and other key points on the border were in the possession of Japanese. Prompted by the desire to add to his personal reputation, the commander apparently ordered his men to occupy Changkufeng Hill with the knowledge of the Soviet military authorities at Habarovsk. According to this version, the consequent Soviet operations were not vigorous nor were they designed by the Moscow Government to create a diversion against the Japanese military action in China.

If not, however, it is difficult to understand why the Soviet troops made such stubborn attempts to recapture Changkufeng Hill. After July 31st when the Japanese took the hill, the Soviet military authorities concentrated one army corps of sharpshooters, one mechanized brigade and two brigades of the air force in front of Changkufeng, as these authorities were held responsible for the loss of the hill by the Moscow Government. And it is difficult to imagine that the indiscriminate bombing of Korean territory was carried out by the authorities in the Far East without the knowledge or instruction of the Moscow Government.

Despite all efforts, the Soviets failed to recapture Changkufeng and accepted truce proposals on August 10th. Seven reasons may be given for



Map of China

Showing Progress of Japanese Military Operations as of January 15, 1939

the successful conclusion of the truce agreement.

1. Repeated failures of the Soviet attempts to recapture Changkufeng Hill.

2. The Soviet Union's lack of confidence in waging war against Japan. Although Soviet armaments in the Far East had been greatly expanded, the harmful effect of the so-called purge of military leaders, lack of confidence in the military command in the Far East, and insufficient stocks of war materials apparently caused the Moscow Government to avoid the issue, as pointed out by General Lueshkov.

3. Unrest in the Soviet Union.

4. The strengthening of border patrols by the Kwantung Army.

5. Anglo-French diversion against the Soviet Union. Judging from information from numerous sources, Great Britain and France, especially the latter, resorted to various measures calculated to divert Soviet attention from the Far East, believing that a frontal clash between Japan and the Soviet Union in the Far East would destroy the balance of power in Europe.

6. Moscow's lack of confidence in General Chiang Kai-shek. Had the Moscow Government reposed full confidence in the Chiang Kai-shek Régime, it is logical to suppose that it would have adopted more vigorous operations to hamper Japan's action in China. However, in spite of Chinese attempts to magnify the incident, a truce was reached.

7. Unfavourable public opinion in foreign countries. The total lack of support for the Soviet Union by totalitarian and democratic countries must be regarded as an important cause for that country's hesitation to take more vigorous action and her subsequent acceptance of the truce agreement.

The Canton Campaign

While the Japanese pincer movement on Hankow was in full swing, the Army in close cooperation with the Navy carried out a transoceanic operation by effecting a surprise landing on the shore of Bias Bay, east of Hongkong, at dawn, October 12th. On October 21st, within 9 days of their landing, the Japanese forces successfully reduced Canton, thus intercepting the major route of arms supply for the Nationalist Government and destroying one of its most important bases for military operations.

Out of the many speculations as to the real cause of Japan's success, three main reasons may be singled out: too much dependence on Great Britain by the Chinese authorities, demoralization of the Cantonese Army and faulty strategy on the part of General Chiang Kai-shek.

That Japan should send an expeditionary force to South China to occupy Canton was almost axiomatic. The Chinese military authorities paid due consideration to the matter, it seems, but they apparently came to the conclusion that Japan would never start military operations near Hongkong for fear of complications with the British. A Reuter dispatch from Chungking reported the extreme dissatisfaction and disappointment felt by the Chinese over the failure of Great Britain to take any action. This

message probably reflected the true Chinese attitude following the fall of Canton.

Canton has been known as the cradle of the Chinese revolution; the Cantonese have been reported to hold strong anti-Japanese sentiments, and the Cantonese Army has been reputed to be well equipped and disciplined. The last two statements were exploded by the Japanese campaign in South China. The Cantonese had mechanized units, but these possessed only a dozen or so tanks. They had superior anti-tank guns, imported from Great Britain, but their men were not sufficiently trained to use them. On the eve of the Japanese landing at Bias Bay, when a large number of Japanese transports was at anchor in the bay, the Chinese divisional commander responsible for the defence of the local shores was in a restaurant in Hongkong.

Just before the Japanese landing in South China, General Chiang Kai-shek had ordered the Canton military authorities to send troops as reinforcements for Hankow. The authorities were at a loss to know what to do, inasmuch as it was persistently reported at the time that Japanese troops, some 35,000 strong, were sailing south from Tsingtao and Shanghai. In response, however, to the insistent demand of Chiang, they decided to send about one and a half divisions from Tsengcheng to Hankow. These troops were en route when the Japanese landed at Bias Bay.

It is felt that the swift occupation of Canton by Japanese troops and their strict maintenance of peace and order there have done much to ameliorate the local anti-Japanese feeling. Canton and its vicinity form the native home of many Chinese abroad who wield great influence on Chinese politics and finances. These Chinese overseas have been disillusioned and are no longer believing wholeheartedly in the propaganda systematically and laboriously conducted by the Chiang Kai-shek Régime.

The Battle for Hankow

The complete occupation of the three Wuhan cities, Hankow, Wuchang and Hanyang, announced by the Imperial Headquarters on October 27, 1938 provided the Japanese nation with the greatest thrill of the year.

In reviewing the battle for Hankow, it must be noted that the Chinese armies did their best to defend that city. They were blessed with a great geographical advantage, further reinforced with strong defence works. The strong positions which they had set up around Shanghai were reproduced on the summits of the Tapieh and Lushan mountain ranges. The descendants of the builders of the Great Wall of China have proved very able in constructing fortifications.

General Chiang Kai-shek took personal command of the troops defending the Wuhan cities. He organized a desertion prevention corps that meted out immediate death to any deserter, while guards of pill-boxes and key points in trenches were often put in stocks to prevent their desertion. Overlooking trivialities, however, the Chinese troops fought bravely during the progress of the battle for Hankow. At the front north of the Yangtze River, when the Japanese advanced to Loshan, the Chinese force

assumed positions for encircling the former. A similar offensive defence was taken by the Chinese at Teian at the front south of the Yangtze, where positions were constructed with a view to taking the offensive against the Japanese. Consequently, bitter fighting raged for ten days between the troops which advanced to the west of Teian and the Chinese forces there before the Japanese succeeded in breaking through.

During the progress of the attack on Kwangtsi on the northern bank of the Yangtze River, the Japanese line of communication some 40 kilometres long extending from Kwangtsi to Hwangmei was patrolled in the rear by one or two companies. Meanwhile, a large force of Chinese troops, about two or three divisions strong, made incessant attacks on this line from Yingshan in the north. The Japanese troops, fighting against overwhelming odds, safeguarded their line, inspired by their unshakable conviction in ultimate victory. Units along the communication line were usually kept in contact with each other by an orderly, who, singlehanded, broke through the enemy lines on his way to and from his destination.

Military Achievements Summarized

By the end of 1938, the Japanese occupied territory corresponded to 47 per cent of that part of China which is still under the jurisdiction of the Chiang Kai-shek Régime. Chinese inhabitants in the occupied territory represent 68 per cent of the total Chinese population in unoccupied regions.

Further comparison reveals that the Japanese occupied territory represents 32 per cent of China Proper with the inhabitants corresponding to 40 per cent of the total population therein.

The numerical strength of the Chinese armies is now reduced to about 900,000 in comparison with the 2,000,000 men in arms before the outbreak of the present conflict.

Peace and order in the Japanese occupied area began to show improvement from the beginning of last year, with the clean-up campaigns energetically conducted by the forces in North and Central China. Later, however, concentration of Japanese troops in the battle of Hsuchow, which naturally weakened the garrisons at various points, was responsible for an aggravation of the situation. In the three months of June, July and August, when farm crops were growing, Chinese guerillas and bandits increased their activities. The peak was reached in August. Since then, the resumption of clean-up campaigns has proved effective in maintaining peace and order in North and Central China. Even during the progress of the battle for Hankow, Japanese troops in North China engaged guerillas and bandits several hundreds of times. Since the successful conclusion of the battle for Hankow, the forces in North and Central China have returned to conduct clean-up campaigns in an organized manner.

(A LIST OF JAPANESE BOOTY)

(Prepared late in November, 1938)

	Peking-Tientsin Area (July 7 to August 3)	Chahar Campaign	Peking Hankow & Tientsin Pukow Railways (Middle of August to late November)	Shanghai Campaign (Middle of August to late November)	Taiyuan Campaign (Early November)	Nanking Campaign	Campaign north of the Yangtze (Late December to middle of February)
Rifles (including automatic rifles)	5,000	5,000	4,300	14,000	—	130,370	530
Light machine-guns	300	350	250	1,900	—	2,856	176
Heavy machine-guns (including anti-aircraft ones)	250	50	40	480	—	1,737	31
Revolvers	150	—	180	—	—	235	—
Chinese swords	1,500	10,000	450	—	—	—	—
Bayonets	—	4,500	1,145	—	—	—	—
Spears	—	500	—	—	—	—	—
Hand-grenade-catapults.	—	—	27	—	—	—	—
Heavy guns	—	—	—	—	—	—	—
Field, cavalry and mountain guns (including 15 centimetre field-guns)	8	50	24	21	80	200	—
Trench-mortars	11	100	75	70	400	378	6
Rapid-firers	—	—	—	—	—	—	—
Infantry-guns	—	—	—	—	—	—	—
Anti-aircraft guns	—	—	—	—	—	77	—
Anti-tank guns	—	—	—	—	—	13	—
Tanks, armoured cars, motor-cars, motor-lorries	—	—	156	—	—	86	—
Aeroplanes	2	—	1	—	—	—	—
Locomotives	—	—	—	—	—	3	—
Passenger-carriages & goods waggons	—	—	80	—	—	60	—
Search-lights	—	—	—	—	—	2	—
Armoured trains	—	—	—	—	—	—	—
Wireless sets	—	—	—	—	—	—	—
Rifle ammunition (including mg and lg bullets)	550,000	—	1,141,555	783,000	—	—	—
Dumdum bullets	—	—	20,000	—	—	—	—
Hand-grenades	—	—	4,853	9,000	—	2,277	—
Shells	—	—	4 cases	—	—	—	—
Revolver bullets	—	—	32,450	—	—	—	—
Shells to be catapulted	—	—	6,027	—	—	—	—
Lead bullets	—	—	7,000	—	—	—	—
Bombs to be dropped	—	—	9	—	—	—	—
Bombs to be catapulted.	—	—	101	—	—	—	—
Trench-mortar shells	—	—	1,639	600	—	1,662,572	—
Mines	—	—	31	—	—	—	—
Mechanical mines	—	—	—	—	—	60	—
Gas-masks	—	—	—	—	2,000	—	—
Bridge-building materials	—	—	—	—	—	—	—
Horses	1,000	—	—	—	—	—	—
Gasoline	—	—	—	—	2,000 cases	—	—
Large junks	—	—	—	—	—	—	—

	Heuchow battle (up to May 24)	Campaign along the Lung-Hai Railway (Late May to late June)	Clean-up campaigns in North China (Early July to end of November)	Battle for Hankow (Early July to end of November)	Clean up campaigns in Central China (Early July to end of November)	South China Campaign (Early July to end of November)	Total
Rifles (including automatic ones)	17,400	3,606	5,895	20,777	789	150	208,017
Light machine-guns	832	21	42	1,182	40	33	7,982
Heavy machine-guns (including anti-aircraft ones)	270	20	16	373	21	80	3,222
Revolvers	—	—	147	—	18	—	730
Chinese swords	—	—	127	—	30	—	12,104
Bayonets	—	—	8	—	—	—	5,652
Spears	—	—	105	—	—	—	605
Hand-grenade catapults.	—	—	—	—	—	—	27
Heavy-guns	—	—	—	41	—	71	330
Field, cavalry and mountain guns (including 15 centimetre field-guns)	96	7	10	155	1	34	686
Trench-mortars	—	11	15	114	7	24	1,211
Rapid-firers	—	11	—	—	—	2	2
Infantry-guns	—	—	—	102	—	6	108
Anti-tank guns	—	—	—	14	—	8	99
Tanks, armoured cars, motor-cars & motor-lorries	14	19	14	50	30	192	569
Anti-aircraft guns	—	—	—	14	—	8	91
Aeroplanes	—	—	—	—	—	—	3
Locomotives	86	—	—	—	—	—	89
Passenger-carriages & goods waggons	2,031	—	—	48	—	—	2,219
Search lights	—	—	—	—	—	—	2
Armoured trains	8	—	—	—	—	—	8
Wireless sets	—	6	4	—	—	7	17
Rifle ammunition (including mg & lg bullets)	9,250,000	1,608,040	198,708	—	64,889	—	13,596,192
Dumdum bullets	—	—	—	—	—	—	20,000
Hand-grenades	—	1,300	10,370	—	666	—	2,304,039
Shells	4,500	3,700	26	—	—	—	817,921
Poison-gas shells	—	—	—	—	—	—	4 cases
Revolver bullets	—	—	4,530	—	190	—	37,170
Shells to be catapulted	—	—	—	—	—	—	6,027
Lead bullets	—	—	—	—	—	—	7,000
Bombs to be dropped	—	—	—	—	—	—	9
Bombs to be catapulted.	—	—	—	—	—	—	101
Trench-mortar shells	40,000	13,000	362	—	—	—	1,718,173
Mines	—	—	—	—	—	1	152
Mechanical mines	—	—	—	—	—	—	60
Gas-masks	—	—	2,430	—	—	—	4,430
Bridge-building materials	—	—	—	—	—	materials for two companies	materials for two companies
Horses	—	—	739	—	4	—	1,743
Gasoline	—	—	—	—	2,000 cases	4,000 cases	
Large junks	—	—	—	—	30	—	30

N.B. This list is compiled on the basis of figures which have appeared in the official reports, while indefinite figures such as "large numbers," "large quantities" and "numberless" which have often appeared are excluded from the list. Consequently, arms and particularly ammunition captured by the Japanese forces must be far larger in quantities than mentioned in the list. Large quantities of various apparatus, medical supplies, transport waggons, clothing, provisions including rice and tobacco have been captured, but they are excluded from the list, which is devoted to major arms and ammunition only. Shells include all gun shells except trench-mortar shells.

Comparison of Fronts

The Japanese front in North and Central China as at the end of November, 1938 was 1,975 kilometres long, extending from Hanchow in the south to Anpeh northwest of Paotow, the western terminus of the Peking-Suiyuan Railway in Suiyuan Province, via Yungsiu, Tsaoshih, Sinyang, Chengyangkwan, Checheng, Kaifeng and the western border of Shansi Province.

Compared with the Western Front of the World War, the Japanese front is about four times its length. The Japanese front in South China is 425 kilometres long, far longer than the fighting-line in the Mukden battle of the Russo-Japanese War of 1904-5 which was only 230 kilometres in length.

The Japanese occupied area in China includes the entire seven provinces of Chahar, Suiyuan, Hopeh, Shantung, Shansi, Kiangsu and Anhwei, the bulk of Honan Province, part of Chekiang Province, part of Kiangsi Province, part of Hupeh Province and part of Kwangtung Province. It contains 1,515,696 square kilometres, more than twice as large as the Japanese Empire which has 675,365 square kilometres. That part of China Proper theoretically remaining under the Chiang Kai-shek Régime totals 3,204,588 square kilometres in area, 47 per cent of which represents the Japanese occupied territory. All China including the outlying provinces totals 10,659,877 square kilometres, 15 per cent of which is now under Japanese occupation.

The Chinese inhabitants in the Japanese occupied area total 169,509,000, representing 68 per cent of the Chinese population of 248,372,000 in that part of China Proper under the Chiang Kai-shek Régime. This figure also corresponds to 39 per cent of the total Chinese population of 429,230,000 for all China.

On the Home Front

Enthusiastic support extended to the fighting services by the nation at home since the very beginning of the China Affair has manifested itself in various forms. The following figures up to the end of November, 1938 show one of its manifestations.

Contributions to the national defence funds :	Yen 30,484,489.71
Contributions to the fund in aid of soldiers and their families :	„ 13,760,580.52
Contributions to the fund for the encouragement of scientific and technical research work :	„ 3,038,447.53
Total	„ 47,273,517.86
Comfort bags :	2,623,870
Tin foil contributed :	8,742,194 momme
Scrap iron and copper contributed :	611,884 momme
Other articles contributed :	20,512,666

THE SITUATION IN CHINA

II

—ACTIVITIES OF THE IMPERIAL NAVY IN REVIEW—

PUBLICITY BUREAU, NAVY DEPARTMENT

In reviewing the Japanese naval operations in China during the latter half of 1938, the seven specific aims of the Imperial Navy must first be enumerated: command of the seas; activities of the landing parties; command of the air by the naval air force; suspension of traffic in China waters to Chinese vessels; naval operations on the Yangtze and Pearl Rivers and re-opening of their waterways; occupation of key points of the enemy; and cooperation with the Japanese military forces.

Command of the seas in the Western Pacific is of paramount importance for Japan. It may be said without exaggeration that the building of a new order in East Asia is inseparably connected with the maintenance at full strength of the Imperial Navy.

Naval Operations on the Yangtze River

On June 11, 1938, the Japanese Government informed foreign Powers of the beginning of naval and military operations up the Yangtze River with Hankow as the Japanese objective.

These operations progressed so smoothly that Anking, capital of Anhwei Province, was shortly occupied, while other key positions including Chienshan and Matowchen also fell into Japanese hands. With the occupation of Hukow at the mouth of Lake Poyang on July 4th, the pincer movement against Hankow with the Yangtze River as the major route of advance assumed definite form.

While the naval force was engaged with Chinese troops on either bank of the river and at the same time was removing booms and sweeping mines, Japanese landing parties effected landings at various key points in the face of enemy fire and occupied them. As the military forces advanced on Hankow, the naval force pushed upstream steadily to keep up with them. Keen rivalry was thus started between the two forces in their joint drive on the capital of the Nationalist Government.

Meanwhile substantial contributions were made by the naval air force, which destroyed Chinese planes both in the air and on the ground and effectively bombed enemy positions and troop concentrations.

Such was the daily picture of Japanese operations up the Yangtze for about four months after June 11th. A special drive was inaugurated at dawn, July 23rd, when naval and military forces launched a joint advance. A naval unit successfully covered Japanese troops in their landing on the western shore of Lake Poyang, while other naval units on July 23rd and 24th bombarded

enemy artillery positions on both banks of the Yangtze River below Kiukiang and succeeded in silencing them. After sweeping mines, the naval force reached within striking distance of Kiukiang toward evening of the 24th.

The next morning, the naval force advanced on the wavering enemy; the vanguard entered Kiukiang that afternoon followed by the main body of the naval force including the flagship, which entered the port at 3 p. m. The distance between Kiukiang and Hankow is about 200 kilometres. By this time the vanguard of the naval force had proceeded three miles upstream, a landing party had gone ashore and the retreat of the Chinese troops had been cut off. On the morning of July 26th, the landing party completed occupation of Kiukiang and thus established connection between the military and naval forces.

In the next naval operation of importance, a Japanese landing party entered Singtze on the western shore of Lake Poyang at 6 a. m., August 21st and jointly occupied the town with military units. The occupation of Singtze was facilitated by Japanese warships that had approached after sweeping mines and heavily bombarding Chinese positions on the western shore of the lake.

On the 14th of September, Matowchen was reduced. Two days later a Japanese landing party landed at a point below Wusueh in the face of enemy fire. By September 17th, Wusueh was completely occupied after joint operations by naval and naval air forces. In the mountainous regions north and west of Wusueh, bitter fighting developed between the Japanese landing party and Chinese troops twelve times greater in numerical strength. It was at 8 : 30 a. m., September 29th, that the Japanese bluejackets, covered by warship and aerial fire, occupied Siangshan Fort, the outpost of Tienchiachen Fortress. By October 4th, these men had occupied Panpishan Fort as well.

The fall of Panpishan and subsequently of Tienchiachen Fortress gave powerful stimulus to the progress of the operations up the Yangtze. During the single day of October 8th, the naval force advanced no less than 15 miles, taking Kichun and re-opening the waterway above the town. Prior to this, the landing party that had occupied Panpishan Fort kept up its drive and occupied Maanshan (Saddle Mountain) on October 5th. The party reached Hsuchiawan toward evening, negotiating successfully the mountainous region.

Hwoshan was the next to fall to the advancing naval force, on October 10th. On October 12th, as Japanese troops were landing at Bias Bay, a naval landing party landed at a point on the opposite bank of the Yangtze from Kichun.

On October 15th and 16th, Sichaishan and Shihhweiyao were taken by Japanese bluejackets. Three days later, the latter took Hwangshihkang. In cooperation with military units, the landing party effected a landing at a point below Echeng and reduced that town on the same day, October 22nd.

By October 23rd, the naval force had broken through the boom in the Tuanfeng channel and had reached a point only 44 kilometres below Hankow. The next day it advanced to Kotienchen, after silencing the Chinese artillery positions at Paihushan and Tsingshan.

October 25th, when the entire naval force entered Hankow, and October 27th, when complete occupation of the Wuhan cities was effected, were memorable days. However, the naval force continued its drive upstream without pause. Its vanguard reached a point below Chihpi, 90 miles above Hankow, on November 7th. On the 13th, the vanguard entered Yochow (Yoyang) after breaking through the mine fields at Leikushan. A waterway of 130 miles above Hankow had been opened. Near Yochow, two Chinese gunboats were captured.

The South China Campaign

From the beginning of the current conflict, arms and ammunition have been supplied to China by the northwestern and southwestern routes. The northwestern route is the so-called Red route which runs from Lanchow, capital of Kansu Province, to the Lung-Hai and Peking-Hankow Railways and which is devoted to the transportation of arms and ammunition to China from the Soviet Union.

The southwestern route includes Hongkong and Canton, from which munitions have been transported to the interior of China by the Canton-Kowloon and Canton-Hankow Railways. Haiphong and Hanoi in French Indo-China also figure in the southwestern route. Munitions from France, in particular, are transported to Kwangsi and Yunnan Provinces from Haiphong and Hanoi by the Yunnan and Hanoi-Lungchow Railways or by highways. The route from Macao, the Portuguese leased territory, to the interior of China via Hongkong and Canton may also be included in the southwestern route, as may that from Burma to Yunnan Province. Of all these, the most important was the Hongkong route, which supplied 80 per cent of the munitions sold to the Chiang Kai-shek Régime by foreign Powers.

From early in the conflict, the Japanese Navy had been enforcing a blockade along the 2,800-mile China coast line. But as this blockade was directed against Chinese vessels alone, shipments of munitions continued to enter China from foreign countries, although the naval air force made incessant efforts to disrupt the routes of supply within China by bombing them.

Following the Japanese suspension of the Lung-Hai and Peking-Hankow Railways, which disrupted the northwestern or Red route, it became imperative from the strategical viewpoint to intercept the southwestern route. Hence the Canton campaign.

Over one hundred transports, carrying crack units of the Japanese Army, escorted by the Japanese naval force under command of Vice-Admiral Koichi Shiozawa suddenly appeared in Bias Bay and at dawn, October 12th, landed the troops on shore with the protection of the warships and aeroplanes.

The following day, landing parties disembarked on the northern bank of Yaling Bay to the west and also at the base of Paiyashan Fort on the southern shore of Yaling Bay. They occupied these places in the face of enemy fire. The naval force cooperated with the landing of troops at Bias Bay through October 18th. Many mines were discovered in the bay and disposed of.

Operations up the Pearl River

On the morning of October 22nd, the day following the fall of Canton, naval units escorting military transports entered the mouth of the Pearl River.

A landing party, covered by warships and air units, landed at Tachiaotao in face of the enemy and advanced to the shore opposite Bocca Tigris Fortress after routing the Chinese troops on the island. Simultaneously, the warships and naval air units launched furious bombardments on the Chinese forts at Bocca Tigris and Chwanpichiao. On October 23rd, bluejackets and troops landed at the base of Chwanpichiao Fort and Yanianghsieh Fort respectively. Bocca Tigris, whose impregnability was boasted of by Chinese military authorities, fell into Japanese hands at 5 p.m., the same day.

After successfully sweeping mines and re-opening the waterway, the Japanese warships reached Haihsinsha on the mainstream of the Pearl River on October 24th. On October 26th they reached Samshui, the junction of the North and West Rivers west of Canton. The ships that had pushed up the Tamchow channel reached Samshui early on October 25th. After re-opening the 45-mile waterway, the Japanese warships entered Canton on October 29th and were welcomed by the troops which had been there about a week.

The advance up the Pearl River was not easy. The warships had to break through mine fields; they had to watch for enemy torpedo boats illegally flying the British flag; they had to deal with remnants of Chinese troops that infested both banks of the river. The naval landing party had also been busily engaged, reducing Lienhwa Fort in cooperation with the warships and occupying Shihtangtu after a bitter fight with a Chinese company of troops.

On November 23rd, the Japanese warships in cooperation with the naval air force and landing parties cleaned Bill Passage of the remnants of Chinese troops.

Activities of the Naval Air Force

The Japanese naval air force is ubiquitous. It is present in any place where Japanese military operations are conducted and it is cooperating with the ground forces in engagements both large and small.

This force has been responsible in no small degree for the close co-operation and coordination between the Japanese Army and Navy since the beginning of the present conflict. In the great battles for Hsuchow and Hankow, the naval air force played an important part.

With the development of the China Affair and with the expansion of military operations, the force has extended its activities, so that even outlying districts of China are now within bombing range. Lanchow, capital of Kansu Province, Chengtu, capital of Szechuan Province, and Yunnanfu, capital of Yunnan Province, are frequently raided by Japanese naval air units.

The activity of the naval air force during the Canton campaign is revealed

STATEMENT BY THE PRIME MINISTER, PRINCE FUMIMARO KONOE

December 22, 1938

THE Japanese Government is resolved, as has been clearly set forth in its two previous statements issued this year, to carry on the military operations for the complete extermination of the anti-Japanese Kuomintang Government, and at the same time to proceed with the work of establishing a new order in East Asia together with those far-sighted Chinese who share in our ideals and aspirations.

The spirit of renaissance is now sweeping over all parts of China and enthusiasm for reconstruction is mounting ever higher. The Japanese Government desires to make public its basic policy for adjusting relations between Japan and China, in order that its intentions may be thoroughly understood both at home and abroad.

Japan, China and Manchoukuo will be united by the common aim of establishing the new order in East Asia and of realizing a relationship of neighbourly amity, common defence against Communism, and economic cooperation. For that purpose it is necessary first of all that China should cast aside all narrow and prejudiced views belonging to the past and do away with the folly of anti-Japanism, and resentment regarding Manchoukuo. In other words, Japan frankly desires China to enter of her own will into complete diplomatic relations with Manchoukuo.

The existence of the Comintern influence in East Asia can not be tolerated. Japan therefore considers it an essential condition of the adjustment of the Sino-Japanese relations that there should be concluded an anti-Comintern agreement between the two countries in consonance with the spirit of the anti-Comintern Agreement between Japan, Germany and Italy. And in order to ensure the full accomplishment of her purpose, Japan demands, in view of the actual circumstances prevailing in China, that Japanese troops be stationed, as an anti-Communist measure, at specified points during the time the said agreement is in force, and also that the Inner Mongolian region be designated as a special anti-Communist area.

As regards economic relations between the two countries, Japan does not intend to exercise economic monopoly in China, nor does

through the fact that no less than 2,000 naval planes participated. From October 12th until the fall of Canton, these planes dropped 6,900 bombs with a total weight of 560 tons.

The Japanese naval air force has succeeded in obliterating the Chinese air force, has bombed and destroyed a number of Chinese war vessels, has secured the command of the air in China and has made substantial contributions to the command of the seas secured by the Japanese Navy in China waters.

The official figures for losses in aeroplanes from the beginning of hostilities until October 31, 1938 are as follows:

Chinese Losses in Aeroplanes	
Brought down	695
Destroyed on the ground	720
Total	1,415
Japanese Losses in Aeroplanes	111

she intend to demand of China to limit the interests of those third Powers, who grasp the meaning of the new East Asia and are willing to act accordingly. Japan only seeks to render effective the cooperation and collaboration between the two countries. That is to say, Japan demands that China, in accordance with the principle of equality between the two countries, should recognize the freedom of residence and trade on the part of Japanese subjects in the interior of China, with a view to promoting the economic interests of both peoples; and that, in the light of the historical and economic relations between the two nations, China should extend to Japan facilities for the development of China's natural resources, especially in the regions of North China and Inner Mongolia.

The above gives the general lines of what Japan demands of China. If the true object of Japan in conducting the present vast military campaign be fully understood, it will be plain that what she seeks is neither territory nor indemnity for the costs of military operations. Japan demands only the minimum guarantee needed for the execution by China of her function as a participant in the establishment of the new order.

Japan not only respects the sovereignty of China, but she is prepared to give positive consideration to the questions of the abolition of extra-territoriality and of the rendition of concessions and settlements—matters which are necessary for the full independence of China.

STATEMENT OF BARON KIICHIRO HIRANUMA

ISSUED IMMEDIATELY FOLLOWING HIS INVESTITURE AS PRIME MINISTER, JANUARY 5, 1939

I HAVE been profoundly moved to receive the Imperial Command to form a Cabinet. I am determined faithfully to discharge my duties in assisting the Throne in the administration of affairs of the State.

As we are all aware, Japan is facing a situation unprecedented in her history and the overcoming of the accompanying difficulties presents a task by no means easy to perform. If, however, under the august virtue of the Throne, the entire nation—the Government and the people—become united in displaying the traditions and ideals which form our national heritage, we are sure to achieve our purpose. Whenever beset with national crises, we Japanese have intensified our consciousness of national polity and have acted in perfect unity. Never has such unity been called for more urgently than at the present time.

The general policies of the present Cabinet will be published on due occasion. It is, however, a matter of course that they should follow the line of concentration of the entire national strength toward the realization of the objective of the present conflict. And in settling this conflict, the immutable course of action already established with Imperial sanction must be pursued. We are pledged, therefore, to carry out in the face of difficulties the measures started by the former Cabinet to achieve this end.

I am greatly impressed with the way in which all members of the nation are endeavouring to discharge their duties on the home front, in spite of the inconveniences imposed by the wartime structure, continually bearing in mind the hardships and privations endured by the Imperial forces during the past year and a half. Together with the rest of the nation, I am determined to rise to the occasion in accordance with the Imperial Command, with courage and hope.

THE CHINA AFFAIR AND WORLD DEVELOPMENTS FROM JULY, 1937 TO NOVEMBER, 1938

—Reviewed in Chronological Order—

BUREAU OF INFORMATION, PRIME MINISTER'S DEPARTMENT

1937

July 2 The Soviet-Manchoukuo border dispute at Kanchatze is settled; the Soviet Union undertakes to withdraw its troops.

July 6 Intrusion into Manchoukuoan territory by Soviet troops is reported from several frontier points. The Soviet Union files a protest alleging that Japanese troops have landed on Chinamu Island. The protest is rejected as unfounded.

Japan's national debt as of June, 1937 is announced to be 10,580,300,000 yen exclusive of 438,000,000 yen in negotiable securities.

North China Incident

July 7 Troops of the Japanese garrison at Fengtai, near Peking, engaged in night drill are fired on by Chinese soldiers belonging to the 29th Army at 11 : 40 p. m. at a point north of Lukouchiao (Marco Polo Bridge).

The licence system for import exchange in Japan is revised; its duration is extended and the limit of unrestricted dealings is lowered to 1,000 yen a year.

July 8 The Japanese Foreign Office publishes details of the Marco Polo Bridge incident; the Chinese Nationalist Government holds a conference at Kuling (Lushan) on the same affair.

At London, a trade conference between Japan and Great Britain is opened.

July 9 The United States and China conclude a silver agreement.

July 11 Lieut.-Gen. Kiyoshi Katsuki is appointed commander of the Japanese Garrison in China. The Third Squadron of the Japanese Navy assumes a position of vigilance.

Gen. Chiang Kai-shek issues instructions for armed action against Japan.

At an emergency session of the Cabinet, the Japanese Government decides, in principle, to send troops to North China and issues a statement to that effect.

July 12 The Chinese Nationalist Government issues mobilization orders.

Marine insurance premiums on shipments for China are raised.

July 13 A minor clash between Japanese and Chinese troops occurs at Matsun, near Peking.

China's protest against the Marco Polo Bridge incident is rejected by Japan. The Chinese Nationalist Government sends a memorandum to all foreign Powers on the North China issue.

July 14 Raising of the status of the Trade Bureau as independent organ of the Department of Commerce and Industry is announced in Tokyo.

July 15 Orders are issued for the dispatch of reinforcements from Japan Proper to North China.

Prefectural governors hold an emergency conference.

The Bank of Japan lowers its interest rate on loans secured on national bonds and that on current overdrafts by .01 sen for each 100 yen per diem.

July 16 Cordell Hull, American

Secretary of State, publishes a statement expressing hope for the non-aggravation of the North China Incident.

July 17 The evacuation of all Japanese residents in Shantung Province other than those in Tsingtao is ordered.

Shinrokuro Hidaka, councillor of the Japanese Embassy in China, delivers a note to Wang Chung-hui, Chinese Foreign Minister.

The Anglo-German and Anglo-Soviet naval agreements are signed.

July 18 In Tokyo, the Cabinet approves an expenditure of 10,000,000 yen to cover expenses of the Incident.

July 19 The Nationalist Government makes public its intentions of seeking a local settlement of the North China imbroglio.

July 20 The Japanese Cabinet passes an urgent decision in favour of taking appropriate measures for defence of the nation.

Special Diet Session

July 23 The 71st Diet convenes in special session at Tokyo.

July 25 A fresh clash occurs between Japanese and Chinese troops at Langfang, between Peking and Tientsin.

The new rate of valuation for the specie reserve of the Bank of Japan is fixed at 12.931 yen per momme (3.75 grammes).

July 26 Japanese troops are fired on by Chinese guards at Kuanganmen, one of the outer city gates of Peking. General Katsuki hands a note to Sung Che-yuan, commander of the 29th Army.

July 27 Sung Che-yuan is notified that the Japanese Garrison in China reserves freedom of action. Sung intimates his intention of resigning.

The Foreign Ministry of the Nationalist Government issues a statement laying the blame for the North China Incident on Japan.

The Japanese Government issues a statement showing that Japan has been constrained to take action in self-protection. The Diet passes a resolution of appreciation for the services of the Imperial Army and Navy.

July 28 The Japanese Garrison in China, after announcing its resolution, starts a punitive campaign against troops of the 29th Army around Peking and captures Nanyuan.

The Tungchow Massacre

July 29 Japanese residents in Tungchow, near Peking, are massacred by the Paoantui (local Constabulary). Japanese troops occupy the left bank of the Yungting River. Chiang Kai-shek proclaims resistance against Japan.

An additional budget is passed by the Japanese Diet to cover expenses for the North China Incident.

July 30 The Peace Preservation Committee of Peking is inaugurated. Japanese troops occupy Taku.

AUGUST

Aug. 3 The revised Ordinance controlling profiteering is promulgated for immediate enforcement in Japan.

Aug. 4 H. H. Kung, Finance Minister of the Nationalist Government, confirms his reported success in obtaining a new loan from Great Britain.

Aug. 6 The All-China National Defence Council, convening at Nanking, approves the decision to wage war against Japan.

Aug. 7 The Japanese Diet passes the Bill for the Protection of Military Secrets. The Special Taxes Bill for the North China Incident and a second additional budget for 410,000,000 yen are also passed.

Japanese Troops Enter Peking

Aug. 8 A Japanese detachment enters Peking.

Aug. 9 Japanese residents in the

Yangtze valley are withdrawn. Second Lieutenant Oyama of the Japanese Navy is murdered in Shanghai by Chinese gendarmes.

H. H. Kung announces that a special credit has been arranged for China in Paris.

Aug. 10 El Salvador resigns from membership in the League of Nations.

Aug. 12 The foreign ministry of the Nationalist Government publishes a statement on Sino-Japanese relations, blaming Japan for aggravation of the situation.

Aug. 13 The Japanese naval landing party in Shanghai is fired on by Chinese troops.

Aug. 14 Chinese planes attempt an air raid on the headquarters of the Japanese landing party and the Japanese consulate-general in Shanghai. The commander of the Japanese Third Squadron, after due warning, opens fire on assembling Chinese troops.

Foreign Minister Koki Hirota replies to an inquiry from Hsu Shih-ying, Chinese ambassador in Tokyo, informing the latter of Japan's unshakable policy. The British Government suggests the neutralization of Shanghai.

Japan Decides to Send Troops to Shanghai

The Japanese Government decides to send troops to Shanghai.

Aug. 15 Flying across the China Sea, a number of Japanese planes carry out air raids on military establishments in Nanking and Nanchang.

Shinrokuro Hidaka, resident councillor of the Japanese Embassy in Nanking, is ordered to leave for home.

The Japanese Government issues a statement announcing the necessity for a vigorous punitive expedition against the Nanking Government.

Aug. 19 The French Government expresses approval of the suggested neutralization of Shanghai. The Japanese Vice-Minister of Foreign Affairs replies to the British Chargé d'Affaires in Tokyo on the said plan.

Aug. 20 Japanese residents at Swatow, Fuchow and Canton are evacuated.

An exchange agreement is concluded between Japan and Great Britain.

Aug. 23 Japanese military forces succeed in landing near Lotienchen and Woosungchen, east of Shanghai, in face of enemy fire.

Secretary of State Hull of the United States issues a statement appealing to Japan and China for an amicable settlement.

Aug. 25 The Japanese capture Pataling and Kalgan, north of Peking.

Naval Blockade of China Coast Announced

The commander of the Japanese Third Squadron proclaims a naval blockade of the China coast between the Yangtze River and Swatow against all Chinese shipping.

Aug. 26 The British Ambassador to China, Sir Hughe M. Knatchbull-Hugessen, is wounded when fired on by mistake by Japanese planes. Japanese residents are withdrawn from Tsingtao.

The Japanese Foreign Office announces Japan's intention to respect third Powers' peaceful commerce in connection with the blockading of the China coast.

Aug. 29 The Nationalist Government announces the conclusion of a Soviet-Chinese non-aggression pact. Great Britain addresses a note to Japan regarding the Knatchbull-Hugessen incident.

Aug. 30 China files a memorandum with the League of Nations regarding the Sino-Japanese dispute. Chinese planes bomb the American liner President Hoover. The United States Government immediately files a protest with the Nationalist Government.

Aug. 31 Woosungchen falls to Japanese troops.

SEPTEMBER

Sept. 1 Japanese military units land at the Shanghai pier.

Sept. 3 The 72nd Diet is convened in Tokyo in an extraordinary session.

The Autonomous Government of South Chahar is inaugurated.

Entire China Coast Placed Under Blockade

Sept. 5 The Japanese Navy proclaims the extension of the blockade against Chinese shipping to include the entire China coast. The Japanese Foreign Office issues a statement in this connection.

Sept. 8 H. I. H. Prince Chichibu arrives in Berlin.

The Nanking Government notifies foreign Powers of its intention to bomb Japanese shipping in retaliation for the Japanese blockade of the China coast.

The Japanese Diet approves an additional budget for the 1937-38 fiscal year, an extraordinary war budget and 11 important wartime bills (authorizing expenditure of a total of 2,022,000,000 yen).

Sept. 11 Machang and vicinity on the Tientsin-Pukow Railway fall into Japanese hands. Chu Teh, communist leader, is appointed commander-in-chief of the Chinese 8th Route Army, formerly known as the Red Army of China.

Sept. 11 The Prime Minister and other Cabinet Ministers are among the speakers at a mass meeting held in Tokyo to start the campaign for general spiritual mobilization of the nation.

Sept. 13 Tatung, Shansi Province, falls into Japanese hands.

The 18th Assembly of the League of Nations is convened. China files an appeal to the body regarding the Sino-Japanese dispute. The Soviet Union rescinds its previous recognition of the Japanese consulates at Odessa and Novosibirsk.

Sept. 14 President Franklin D. Roosevelt announces an embargo on all shipments of arms aboard craft owned by the U. S. Government.

Sept. 15 The appointment of General Count Toshikazu Terauchi and General Iwane Matsui as supreme commanders respectively of the Japanese expeditionary forces in North China and those in the Shanghai region is made public.

Sept. 18 Chochow is occupied by Japanese troops.

T. I. H. Prince and Princess Chichibu leave England for Japan.

Sept. 19 Vice-Admiral Kiyoshi Hasegawa, commander of the Japanese Third Squadron, issues a notice for nationals of third Powers and Chinese non-combatants living in Nanking and vicinity, advising them to keep away from military establishments. A large Japanese air unit attacks Nanking.

Sept. 21 A vigorous air raid is made on Canton.

The Bank of Japan reduces its interest rate on current overdrafts by 0.01 sen for each 100 yen per diem.

Sept. 23 Great Britain replies to Japan regarding the Knatchbull-Hugessen incident, settling the affair amicably. Germany declines participation in the Committee of 23 of the League of nations. Britain, the United States and France protest against air raids on Nanking.

Paoting Falls

Sept. 24 Japanese troops enter Paoting. Tsangchow and Pingtichuan also fall into Japanese hands.

Sept. 25 The Commission of Information of the Japanese Government is reorganized into the Bureau of Information, Prime Minister's Department.

Sept. 27 The Temporary Law for Adjustment of Capital and other relevant laws and ordinances are put into effect

in Japan.

Sept. 28 The Assembly of the League of Nations passes a resolution drafted by the Committee of 23 censuring Japan.

OCTOBER

Oct. 1 The Japanese legation in Poland is raised to the status of an embassy.

A Planning Bureau is created in the Home Department of the Japanese Government.

Oct. 5 An anti-Japanese mass meeting is held in London under the chairmanship of the Archbishop of Canterbury. President Roosevelt of the United States speaks at Chicago censuring Japan. At the League of Nations, the committee of 23 adopts a resolution unfavourable to Japan, but the Assembly postpones voting thereon.

The Japanese Foreign Office issues a statement refuting criticisms raised by the League of Nations and the American State Department.

Oct. 6 The League Assembly passes the proposed resolution and on the basis of this resolution decides to convene a conference of the signatories to the Nine-Power Treaty. The American State Department releases a statement stigmatizing Japan's action as violating the Nine-Power Treaty and the Kellogg Pact. Japan issues a statement refuting the arguments in President Roosevelt's speech. Premier Mussolini of Italy expresses support for Japan in a newspaper editorial.

Oct. 8 The walled town of Chengting is reduced.

Anti-Japanese agitations are reported in England and the United States.

Oct. 9 The Japanese Government publishes a statement refuting the allegation of the League of Nations and the United States that Japan has violated the Nine-Power Treaty.

Oct. 10 Shihchiachuang falls into Japanese hands.

Oct. 11 A licence system is enforced on exports and imports in Japan.

Oct. 12 The Central Federation for National Spiritual Mobilization is inaugurated in Japan.

A new trade agreement is signed and takes effect between Japan and India.

Oct. 13 200,000,000 yen worth of China Incident Bonds are issued in Japan.

Oct. 14 The walled town of Kueihua in Suiyuan Province is captured.

The Vatican expresses sympathy toward Japan's anti-Communist position in China.

Oct. 15 The Autonomous Government of North Shansi is set up at Tatung.

T. I. H. Prince and Princess Chichibu return to Japan.

The Board of Cabinet Advisers is organized in Tokyo with 10 *Sangi* (Cabinet Counsellors) appointed.

Oct. 16 Belgium issues invitations for the forthcoming Nine-Power Conference.

Oct. 17 Paotou, in Suiyüan, is occupied.

Japan's General Federation of Labour renounces strikes at its national convention.

Oct. 24 Japanese forces start a general offensive in all sectors around Shanghai.

Oct. 25 The Board of Planning is organized in the Japanese Government.

Oct. 26 Japanese troops capture Tachangchen, north of Shanghai.

Oct. 27 Mongol representatives meet in convention and proclaim the inauguration of an autonomous administration under the Federation of Mongol Leagues and Banners. In the Shanghai region, Kiangwanchen, Chapei and Chenjuchen are captured.

Oct. 27 Japan declines participation in the Nine-Power Conference and publishes a statement explaining her position in that connection.

Oct. 29 Germany refuses to join the Nine-Power Conference.

Organization of the Manchuria Heavy Industries Company (Manchuria Industrial Development Corporation) by the Nissan interests is made public.

Oct. 31 Japanese troops cross Soochow Creek and complete the clean-up of remnant Chinese troops in Chapei.

NOVEMBER

Nov. 2 A provisional commercial treaty is initialled by Japan and Siam.

Nov. 3 In Shansi Province, Hsinkouchen falls into Japanese hands.

The Nine-Power Conference is opened at Brussels.

Nov. 5 Japanese army units effect a surprise landing at Hangchow Bay in the face of enemy fire.

Japan signs a treaty with Manchoukuo providing for the abolition of the former's extraterritorial rights in the latter country.

Nov. 6 The Japanese-German-Italian Anti-Comintern Agreement is signed at Rome. The Nine-Power Conference adopts a draft reply to Japan, renewing its invitation for Japan's participation.

Nov. 9 The walled city of Taiyuan, capital of Shansi Province, is captured. Lunghwa, southwest of Shanghai, is reduced.

Shanghai is Taken

The Japanese complete the capture of Shanghai.

Nov. 10 Premier Chang Ching-hui of Manchoukuo arrives in Tokyo on an official visit.

Nov. 12 Nanshih of Shanghai and Nansiang on the Shanghai-Nanking Railway fall into Japanese hands.

Japan turns down the renewed invitation to the Nine-Power Conference. An Imperial message is granted to the Japanese troops operating in North China and Inner Mongolia.

Nov. 13 Japanese army units land at Paimaokou on the southern bank of the Yangtze River. Kating is occupied.

Nov. 15 The Nine-Power Conference adopts a declaration against Japan.

Nov. 16 The Nationalist Government decides to remove all administrative machineries other than military ones from Nanking to Chungking, Hankow and Changsha.

Nov. 19 Soochow, Changshu and Kashing fall into Japanese hands. Foreign envoys' offices in Nanking are removed to Hankow.

Nov. 20 The Nationalist Government announces the removal of its capital to Chungking.

Mamoru Shigemitsu, Japanese Ambassador at Moscow, urges the Soviet Government to sign the draft fishery treaty. The Soviet Union proposes to open negotiations for revision of the said treaty.

Imperial messages are granted to the troops operating in the Shanghai region, the commander of the Combined Fleet and the commander of the Japanese Fleet in China Waters, respectively. The Imperial Headquarters is opened in the Imperial Palace in Tokyo, with its army department housed in the Army General Staff Office and its navy department in the Navy General Staff Office.

Wartime marine insurance premiums for shipments bound for China Sea and Mediterranean Sea ports are reduced.

Nov. 22 The Federal Committee of Mongolian Districts is organized at Kalgan.

Nov. 23 The Bank of Mengchiang (Mongolian Districts) is opened.

Nov. 24 The Brussels Nine-Power Conference adjourns indefinitely after adopting a declaration.

Nov. 25 Japanese troops occupy Wusih.

The first anniversary of the conclu-

sion of the Anti-Comintern Pact between Japan and Germany is celebrated in both countries.

Nov. 27 Japan calls the attention of the Soviet Union to the frequent unlawful acts on the part of the latter.

The Foreign Exchange Bureau is organized within the Bank of Japan.

Nov. 29 Italy extends recognition to Manchoukuo.

DECEMBER

Dec. 1 Manchoukuo abolishes extraterritoriality. Japan accords *de jure* recognition to the Franco regime of Spain.

Dec. 2 Manchoukuo and the Franco régime complete procedures of mutual recognition.

Dec. 5 The Tatao Municipal Government of Shanghai is organized at Pootung.

Dec. 8 The Japanese-Siamese Commercial Treaty is signed.

Dec. 9 Wuhu in Anhwei Province and Chinkiang in Kiansu are taken.

Dec. 10 It is announced that T. I. H. Princes Yasuhiko Asaka and Haruhito Kanin have been serving in military operations in China. The Kuanghuamen, one of Nanking's city gates, is captured.

Dec. 11 The Italian Premier announces Italy's withdrawal from the League of Nations.

Dec. 12 The U. S. gunboat Panay and the British war vessel Ladybird on the Yangtze River are attacked by mistake by Japanese planes.

Nanking Falls

Dec. 13 The walled city of Nanking falls into Japanese hands. Pukow is captured. Chiang Kai-shek announces his intention of continuing warfare.

Foreign Minister Koki Hirota of Japan expresses regret to the American Ambassador in Tokyo regarding the Panay incident.

Dec. 14 His Majesty the Emperor of Japan grants a gracious message to his Army and Navy in connection with the fall of Nanking.

Dr. Eiichi Baba, the Japanese Home Minister, resigns his portfolio and Admiral Nobumasa Suetsugu, Cabinet Counsellor, is installed in office as his successor.

Dec. 14 The Provisional Government of the Chinese Republic is founded. Peiping is renamed Peking, the latter being that city's ancient name.

Dec. 16 The Provisional Government of China takes over the maritime custom houses at Tientsin and Chinwangtao and announces its intention of revising the customs tariff.

Dec. 17 Japanese troops make a triumphal entry into the walled city of Nanking.

Japan lodges a protest with the Soviet Union against the latter's unlawful dealings with Japanese nationals in Vladivostok and Northern Saghalien.

Dec. 20 Sir Archibald Kerr Clark Kerr is appointed British Ambassador to China to succeed Sir Hughe M. Knatchbull-Hugessen.

Dec. 23 The Peace Preservation Committee of Nanking is formed.

Dec. 24 Hangchow is captured.

The 73rd Diet meets in Tokyo.

Dec. 25 The U. S. State Department expresses satisfaction with the Japanese reply regarding the Panay affair.

Dec. 26 A naval blockade is proclaimed against Tsingtao.

Dec. 27 Japanese army units enter the walled city of Tsinan.

Dec. 30 That the Japanese-Soviet Fishery Treaty will remain in force for one year, is announced in Tokyo.

Dec. 31 The Ladybird case is settled amicably between Japan and Great Britain.

1938

JANUARY

Jan. 1 The Nationalist Government is reorganized as General Chiang Kai-

shek resigns from the presidency of the Executive Yuan in order to concentrate on military affairs. Peace Preservation committees are organized at Tsinan and Hangchow.

Manchoukuo's new customs tariff law goes into effect.

Jan. 4 Japanese naval planes bomb Hankow.

Jan. 7 Japanese naval planes conduct a large-scale air raid on Nanchang.

The Federal Reserve Bank of China is organized.

Jan. 10 A Japanese naval landing party lands at Tsingtao.

Figures on Japan's foreign trade for 1937 are released, showing the amount of excess in imports to have been 635,000,000 yen.

Jan. 11 Holding a conference before the Throne, Japan's Imperial Headquarters adopt what is known as the supreme China policy. The Government organizes the Department of Welfare with Marquis Koichi Kido installed as Welfare Minister. General Baron Sadao Araki, formerly War Minister, succeeds him as Education Minister.

Jan. 12 The British Government reveals that it has sent a representation to the Japanese Government in order to preserve its right of free navigation on the Yangtze River.

Austria and Hungary recognize the Spanish Franco régime.

Jan. 16 The Japanese Government issues a statement announcing its determination never to deal with the Nationalist Government.

Sun Ke, president of the Legislative Yuan of the Nationalist Government, arrives at Moscow on an official visit.

Jan. 17 The Radio Broadcasting Station of Greater Shanghai begins operations.

Jan. 18 Japan opens its Consulate-General at Peking. The Nationalist Government publishes a statement denouncing the new régime in China.

The new Chautemps Cabinet is formed in France.

Shigeru Kawagoe, Japanese Ambassador to China, is recalled.

Jan. 19 The Japanese Government makes public the details of Germany's good offices in attempting to negotiate for peace between Japan and China.

Jan. 20 Hsu Shih-ying, Chinese Ambassador to Japan, leaves for home.

Jan. 22 The Provisional Government of North China revises the customs tariff.

The 73rd Diet is re-opened in Tokyo after the year-end and New Year holidays, with the Prime Minister, the Finance Minister and the Foreign Minister speaking on governmental policies.

Jan. 23 The general outline of a projected law for general mobilization of the Japanese nation is made public.

Jan. 24 The South Manchuria Railway Company is reorganized.

Jan. 26 The Soviet Union notifies Japan of the former's discontinuance of the parcel post service to and from Japan.

Jan. 27 The American State Department makes public its protest to Japan and the results thereof regarding the alleged infringements upon the United States' vested interests in Nanking and other Chinese cities. The Manchoukuoan Government issues a communique regarding the detention of a Soviet plane.

Jan. 30 Representatives of the Anti-Communist Autonomous Government of East Hopei and the Provisional Government of China sign an agreement providing for the amalgamation of the former with the latter.

Jan. 31 General Franco founds the National Government of Spain.

February

Feb. 2 The Council of the League of Nations passes a resolution regarding the Sino-Japanese dispute.

A direct air service is opened between Japan and China. A Japanese-Dutch commercial agreement is concluded.

Feb. 3 Chefoo is occupied.

Feb. 5 The Japanese Foreign Office receives a note from Britain and the United States asking for assurance that Japan will not build large capital ships.

Feb. 7 A note similar in purport to the above-mentioned communication is received by Japan from France.

Feb. 9 Japan decides to enforce military control on enemy properties in Central China. An air raid is carried out on Changsha.

Feb. 10 The State Council of Manchoukuo adopts the Law for the General Mobilization of the Nation.

The sale within Japan of fabrics for export is prohibited.

Feb. 12 Operation of through trains is resumed between Tientsin and Tsinan.

Japan replies to the British, American and French notes refusing to notify the three countries of Japan's building programme, and simultaneously publishes a statement explaining its views on the matter. The Japanese Foreign Office replies to the American protest concerning the vested rights and interests of the United States in China.

Feb. 14 A ceremony is held in Singapore marking the completion of a dry-dock.

Feb. 17 Details of the first-period part of the 4-year economic development plan for North China are made public.

China Affair Budget Fixed

Feb. 17 The extraordinary war budget of Japan is fixed at 4,850,000,000 yen.

Feb. 18 The Army Department of the Imperial Headquarters publishes a communique regarding the partial relieving and readjustment of the Japanese expeditionary forces in China. Chungking is attacked from the air.

Feb. 18 The Japanese Cabinet approves the draft Law for National General Mobilization.

Feb. 20 Reichsführer Hitler, speaking in the Reichstag, intimates Germany's intention to recognize Manchoukuo.

Feb. 21 Robert Anthony Eden resigns as British Secretary of State for Foreign Affairs.

Feb. 22 Japan decides to adopt the so-called link system for imported wool.

Feb. 23 General Iwane Matsui, commander of the Japanese forces in the Shanghai region, H.I.H. Lieutenant-General Prince Asaka, and Lieutenant-General Heisuke Yanagawa are recalled to Japan, and General Shunroku Hata is appointed commander to succeed General Matsui.

Several Chinese planes make their appearance over an airfield north of Taihoku in Taiwan and drop about 10 bombs.

Feb. 24 The Nationalist Government lodges a protest with Germany against the recent announcement of the latter's intention of according recognition to Manchoukuo.

Feb. 25 A large-scale engagement is staged between Japanese and Chinese planes in the air over Nanchang.

Japan decides to create the Materials Adjustment Bureau as an independent organ of the Department of Commerce and Industry.

Feb. 27 Madame Chiang Kai-shek, resigns as chairman of the Chinese Air Force.

March

March 1 Regulations controlling distribution of cotton yarn are put into effect in Japan.

March 6 Japanese forces capture Puchow in Shansi Province.

March 7 Japan enforces regulations for the control of sales of volatile and heavy oils. A group of Japanese financial organizations decides to

extend a credit of 100,000,000 yen to the Federal Reserve Bank of China.

March 8 Japanese planes carry out air raids on the airfields at Sian, capital of Shensi Province, and Siangyang in Hupei Province.

March 10 The Chautemps Cabinet of France resigns again.

The Federal Reserve Bank of China starts business.

March 11 A new Cabinet is organized in Austria as the German Army marches in.

War Budget Passed

March 12 Japan's additional budget for war expenditures amounting to 4,850,000,000 yen is put into force after its passage by the House of Peers.

March 13 Reichsführer Hitler proclaims the Anschluss of Austria. The Blum Cabinet is installed in France.

March 14 Decision is made to increase the fiduciary reserve of the Bank of Japan by 700,000,000, yen.

March 15 The Japanese-Hungarian Cultural Society is inaugurated.

The International Olympic Committee, meeting at Cairo, officially approves the holding of the 1940 Olympic Games in Tokyo.

March 17 Japanese naval planes carry out an extensive air raid on several places in Central and South China. Lincheng in Shantung is reduced.

Manchoukuo decides to withhold payment of the balance of the price for the North Manchuria Railway (formerly known as the C. E. R.) in retaliation against breaches of faith on the part of the Soviet Union in connection with the agreement for the transfer of the said railway.

Poland sends an ultimatum to Lithuania regarding a border dispute.

An Italian goodwill mission arrives in Japan.

March 18 Japanese troops effect a landing on Tsungming Island in the estuary of the Yangtze River and take possession of the island.

March 21 Germany notifies the League of Nations of Austria's withdrawal. The United States requests Japan to indemnify the losses and damages caused in connection with the sinking of the U. S. gunboat Panay.

March 23 A new exchange agreement is put into effect between Japan and the United States.

General Mobilization Law Passed

March 24 The Japanese Diet passes the National General Mobilization Law.

March 25 Japan opens a naval port at Tokuyama.

An understanding is reached between Japan and the United States regarding fisheries off Alaska.

March 26 A vigorous air raid is conducted on Hsuchow.

The Japanese Diet passes the Law for the State Control of Electric Power as amended at the joint conference of the two Houses.

March 27 Japanese naval planes bomb Wuchang and Hankow.

New Régime at Nanking

March 28 The Renovation Government of the Chinese Republic is founded at Nanking with Liang Hung-chih installed as president of its Executive Yuan. Wang Ke-min, chairman of the Executive Committee of the Provisional Government of China is attacked and wounded in Peking.

March 29 The Kuomintang Party of China opens the sixth Convention of its National Delegates (known as the Sixth National Plenum).

March 30 The Senate and the Chamber of Deputies of Italy elect Premier Mussolini Generalissimo of the Italian Army.

March 31 Japan partially lifts her ban on the sales within the country of broad cotton fabrics manufactured for export.

April

April 1 Notes are exchanged at the Anglo-American-French conference of

naval experts regarding the invocation of the escalator clause.

It is announced that 4,533 war dead have been newly enshrined at the Yasukuni Shrine in Tokyo.

The fiduciary reserve of the Bank of Japan is increased by 700,000,000 yen as previously decided on.

April 2 The 6th National Plenum of the Kuomintang elects Chiang Kai-shek as its president and passes the project for the organization of the National Political Council. China publishes her plan for "continued warfare and construction of the nation."

April 3 Taierhchuang is reduced. The siege of Hsuchow is completed.

April 4 The leaders of the new régimes at Peking and Nanking meet in conference at Peking.

Japan lodges a protest with the Soviet Union against the latter's assistance to China.

April 5 A detailed agreement on exchange quotations is put into effect between Japan and Great Britain. Japan enforces a licence system for exchange transactions.

April 8 The Blum Cabinet of France resigns.

April 9 The 4th Plenum of the Kuomintang's Central Committees (Supervisory, Executive and Political) approves the regulations governing the organization of the National Political Council.

The Soviet Union announces the closing of its Consulate-General at Kobe.

April 10 A referendum is held on the Austro-German Anschluss and the action is approved by 99 per cent of the vote. The Daladier Cabinet is installed in France.

The Provisional Government of the Chinese Republic opens its diplomatic representative's office in Tokyo.

April 12 The Japanese Army publishes its second statement regarding the use by Chinese of third Powers' flags in the war areas in China.

April 13 Night air raids are conducted on Hankow and Nanchang.

Japan's Foreign Office spokesman denies the Reuter and Tass reports that Japan has sought the good offices of Great Britain for mediation in the China Affair.

April 16 An agreement is signed at Rome facilitating the regulation of Anglo-Italian diplomatic relations.

April 18 Japan inaugurates the Board for the Protection of Wounded Soldiers with General Baron Shigeru Honjo installed as its president.

April 19 In Tokyo is organized the Bureau for Encouraging Savings Among the People. The Cabinet decides to launch a nation-wide campaign to encourage popular savings to the extent of 8,000,000,000 yen annually.

April 22 Japan pays an indemnity to the United States, thereby completely settling the Panay Incident.

The Central Commission on Commodity Prices is formed in Tokyo.

April 25 Japan enforces regulations for the mixing of gasoline with alcohol.

April 26 His Majesty the Emperor personally pays homage at the Yasukuni Shrine in Tokyo during the special festival.

April 28 Wang Ke-min, chairman of the Executive Committee of the Provisional Government of China at Peking, makes an official visit to the Renovation Government at Nanking.

Anglo-French conversations are started in London.

Organizing committees are formed in Tokyo for the projected North China Development and Central China Promotion Companies.

April 29 Japanese planes shoot down 51 Chinese machines in an aerial battle over Hankow.

New Fleet Commander Appointed

April 30 Vice-Admiral Koshiro Oikawa is appointed Commander-in Chief of the Japanese Fleet in China waters.

MAY

May 1 Wang Keh-min, chairman of the Executive Committee of the Chinese Provisional Government, arrives in Tokyo.

Gasoline rationing goes into effect in Japan.

May 2 A new price for Japanese Government purchases of mined gold is established.

May 4 In Italy on an official visit, Reichsführer Adolf Hitler confers with Premier Benito Mussolini.

The issue relating to the transfer of the Shanghai maritime customs is settled.

May 5 The Chinese Nationalist Government protests to Great Britain against the Anglo-Japanese arrangement regarding the maritime customs.

An Italian economic mission arrives in Japan.

The National General Mobilization Law goes into effect.

May 6 Transfer of the maritime customs of Shanghai is completed.

Unrest is reported in the Sudeten area of Czechoslovakia.

May 9 The Temporary Bureau for Adjustment of Materials is formed within the Japanese Department of Commerce and Industry.

May 10 A Japanese naval unit lands on Amoy Island in the face of enemy fire.

Wellington Koo appeals to the Council of the League of Nations for assistance to China.

May 11 Preparations are completed for a general attack on Hsuchow.

Amoy is Taken

The Japanese naval party takes complete possession of Amoy.

Representatives of Japan and Manchoukuo hold a conference with the members of the Italian economic mission in Tokyo.

May 12 The Manchoukuoan-German Treaty of Amity is signed at Tokyo.

May 13 The Japan Iron Manufacturing Company increases its capitalization to 500 million yen.

May 14 Japanese forces sever the Lung-Hai Railway at a point west of Hsinanchen.

The Council of the League of Nations adopts a resolution concerning the Sino-Japanese conflict. Chile announces its intention of withdrawing from the League.

May 15 A new world record for length of time in continuous flight is established by an aeroplane of the Aeronautical Research Institute of the Tokyo Imperial University.

May 16 Contact is established between the Japanese Northern and Southern forces driving on Hsuchow in the vicinity of Tangshan Station on the Lung-Hai Railway.

Hsuchow Falls

May 19 Hsuchow falls to the Japanese forces.

May 20 A Japanese naval force lands at Lienyunchiang in the face of enemy fire. A few Chinese planes drop handbills over Kyushu Island in Southern Japan.

May 22 Soviet troops clash with Japanese frontier guards within Manchoukuoan territory near Hunchun.

May 24 Lanfeng falls into Japanese hands.

The Canadian Prime Minister issues a proclamation of non-intervention in the Sino-Japanese conflict.

May 25 The first meeting takes place between the commanders of the Japanese Northern and Southern Armies engaged in the battle for Hsuchow.

Konoe Cabinet Reorganized

May 26 The Japanese Cabinet headed by Prince Fumimaro Konoe as Prime Minister is reorganized with General Kazushige Ugaki, Seihin Ikeda and General Baron Sadao Araki instal-

led as Foreign Minister, Finance Minister (and concurrently Commerce and Industry Minister) and Education Minister respectively.

May 27 The Japanese Consulate-General at Amoy is reopened.

May 28 The walled city of Kueite is captured by the Japanese. Naval planes conduct extensive air raids on several places in Central and South China.

May 29 A contract for building a railway in Kwangsi Province with French capital is disclosed to the public.

May 30 As indications are given of the arrival of Chinese planes over Kyushu, an alarm is broadcast to all places on the island.

JUNE

June 1 The Provisional and the Renovation Governments of China effect revision of China's customs tariffs.

The Nationalist Government sends notes to foreign Powers and the League of Nations protesting against the air raids on Canton. The Japanese Foreign Office and naval authorities call attention to the fact that these air raids have been directed exclusively against military establishments. The American State Department makes public its note sent to Japan with regard to the restoration of American property in China.

Japan revises its regulations concerning army uniforms.

June 3 Great Britain and the United States voice opposition to the Japanese air raids on Canton.

New War Minister Installed

Lieutenant-General Seishiro Itagaki is installed as War Minister in the Japanese Cabinet to succeed General Gen Sugiyama, who was appointed member of the Supreme War Council.

June 4 H. I. H. Prince Chichibu, brother of the Emperor, returns to Tokyo from Central and Northern China where he has been visiting the war fronts.

June 6 The walled town of Kaifeng falls into Japanese hands.

France joins Great Britain and the United States in censuring Japan for the air raids on Canton.

June 7 Japanese naval planes bomb military establishments in Canton.

June 8 General Li Tsung-jen is deprived of his command following his failure to defend Hsuchow.

June 10 Japanese forces sever the Peking-Hankow Railway at a point south of Chengchow.

June 11 Chinese troops, destroying a section of the banks of the Yellow River, render 100,000 inhabitants homeless. The Japanese Army and Navy begin the drive on Hankow. Masayuki Tani, Japanese Minister at Large sent to China, notifies third Powers of the said action.

The Chinese Chargé d'Affaires and all other members of the Chinese Embassy in Tokyo leave for home.

The Central Commission on Commodity Prices is organized in Japan.

June 13 Anking, capital of Anhwei Province, is captured.

June 17 Chienshan is reduced.

What is known as the Five-Minister Conference meets for the first time in Tokyo.

June 18 The Provisional and the Renovation Governments of China publicly denounce the Chiang Kai-shek Régime.

June 21 The Committee for Non-intervention in the Spanish Civil War approves a plan for withdrawal of foreign volunteers.

June 23 The Japanese Cabinet adopts a revised plan for the mobilization of materials and announces restrictions on the use of 32 items of materials.

June 25 Foreign Minister General Kazushige Ugaki is installed concurrently as Minister of Overseas Affairs.

June 26 Matowchen, in Anhwei Province, is attacked.

June 27 Chinese troops destroy a section of the banks of the Grand Canal.

June 29 The Economic Council of Japan and China meets at Peking.

Cotton Placed Under Emergency Control

Japan enforces restrictions on the manufacture of cotton goods, regulations for controlling the sales prices of fibre goods, restrictions on the sales of cotton goods, and restrictions on the processing of cotton goods.

June 30 Japanese military planes attack Loyang.

Japan's Planning Council holds its initial plenary session.

Japan's foreign trade for the first half year of 1938 totals 1,287 million yen in exports and 1,493 million yen in imports, leaving an import excess of 195 million yen.

JULY

July 1 The Convention of Mongol Provinces, meeting at Houho, elects Prince Teh chairman of the Autonomous Government of Inner Mongolia.

It is announced that General Genrich Samoirovitch Lushkov, Far Eastern head of the O. G. P. U., escaped into Manchoukuo on June 13th to seek protection.

All municipal employment offices in Japan are placed under State management. Regulations for the mixed use of gasoline and alcohol are put into effect.

July 2 A new trade agreement is concluded between Japan and Australia.

July 4 Hukow, in southern Hunan Province, is captured. In an air raid on Nanchang, Japanese naval planes shoot down 51 Chinese machines.

July 4 France confirms its occupation of the Sisha Islands in the South China Sea.

July 5 The German military advisers to the Nationalist Government leave for home from Hankow.

A trade agreement is signed in Tokyo between Japan, Manchoukuo and Italy. Manchoukuo and Italy sign a treaty of amity, commerce and navigation in Tokyo.

July 6 Chiang Kai-shek publishes a statement for foreign consumption on the eve of the first anniversary of the outbreak of the China Affair.

July 7 Anti-Japanese elements resort to bomb-throwing in Shanghai on the occasion of the first anniversary of the China Affair.

Japan protests against the French occupation of the Sisha Islands.

An Imperial rescript is granted in Japan on the occasion of the first anniversary of the China Affair. The Cabinet issues injunctions to the entire nation concerning this rescript.

July 8 The appointment of H. I. H. Prince Tsunenori Takeda to an important post in the Japanese military garrison in Manchoukuo is announced.

The National Political Council of China resolves to defend Wuchang and Hankow to the last.

July 9 Japan suggests that third Powers withdraw their warships and other vessels from the district between Hukow and Hwangshihkang on the Yangtze River.

Regulations controlling the sales prices of commodities are put into force in Japan.

Changkufeng Occupied by Soviets

July 12 Intruding into Manchoukuoan territory across the border, Soviet troops occupy Changkufeng Hill.

July 14 General Yu Han-mou is appointed commander of the defences of South China.

Great Britain is reported to have decided to turn down Chiang Kai-

shek's request for a loan of 20 million pounds sterling.

Japan and Manchoukuo protest to the Soviet Union regarding the Soviet intrusion into Manchoukuoan territory in the vicinity of Changkufeng.

Japan Resigns Olympic Sponsorship

July 15 The Japanese Cabinet decides to disapprove Tokyo's sponsorship of the 1940 Olympic Games and postpones the International Exposition scheduled to be held in Tokyo in 1940.

July 16 An official protest is lodged with the Soviet Union regarding the Changkufeng incident. The Soviet Union refuses to withdraw its troops.

July 19 The Japanese Cabinet decides to create a foreign exchange fund of 300 million yen in the Bank of Japan.

July 20 The Japanese Ambassador at Moscow, Mamoru Shigemitsu, makes vigorous representations to the Soviet Government regarding the intrusion of Soviet troops into Manchoukuo. Manchoukuo discontinues diplomatic negotiations with the Soviet Union regarding the same incident.

July 21 General Chen Cheng is appointed commander of the defences of Wuchang and Hankow.

July 24 Twenty military advisers and 300 air pilots arrived at Hankow from the Soviet Union.

The Japanese Foreign Minister, General Kazushige Ugaki, holds a conference with the British Ambassador in Tokyo, Sir Robert Craigie.

Kiukiang Falls

July 26 Kiukiang falls into Japanese hands. The walled town of Taihu in southern Kiangsu Province is captured.

July 27 The Nationalist Government removes its Foreign Office from Hankow to Chungking.

July 29 Japan inaugurates a new police system for preserving economic peace and order.

Changkufeng Recaptured

July 31 Japanese forces dislodge Soviet troops from Changkufeng and Shatsaofeng.

AUGUST

Aug. 1 Hsiusung is captured.

Japan enforces regulations controlling the distribution of leather, a law for the development of petroleum resources and a link system for rayon and pulp manufacture.

Aug. 2 Chinese troops destroy a section of the banks of the Yangtze River in its upper valley. Japanese forces capture Hwangmei in eastern Hupei.

Aug. 3 Japanese naval planes attack Hankow and shoot down 32 Chinese combat planes in the ensuing encounter.

Aug. 4 Japan proposes cessation of hostilities to the Soviet Union.

Truce at Changkufeng

Aug. 10 An agreement is reached between the Japanese Ambassador at Moscow and the Soviet Foreign Commissar providing for the immediate cessation of hostilities.

Aug. 11 A truce is declared by the Japanese and Soviet Commanders at Changkufeng.

Aug. 15 The East Asia conference on agriculture and forestry is held in Tokyo.

Aug. 16 A Hitler Jugend party arrives in Japan on a goodwill mission.

Aug. 19 The first conference of prefectural chiefs of economic police meets in Tokyo.

Aug. 21 Japanese troops capture Hsingtzu.

Ambassador Shigemitsu at Moscow proposes appointment of a commission for the demarcation of the Manchoukuoan-Soviet border.

Aug. 22 The State Council of Manchoukuo adopts a draft law for temporary control of capital. The Japanese

Foreign Office announces that Japan has protested to the Soviet Union against the forced closing of the Japanese consulates at Khabarovsk and Blagoveschensk.

Aug. 24 Juichang in northern Kiangsi falls into Japanese hands.

An ordinance restricting immediate employment of graduates from schools is put into force in Japan on the basis of the provisions of Article 6 of the National General Mobilization Law. Another ordinance is enforced requiring those engaged in the medical profession to declare their technical capabilities under the provisions of Article 21 of the said law.

Aug. 26 Leaders of the Nationalist Government hold an important conference at Chungking.

Aug. 28 The walled town of Liuan, in Anhwei Province, is occupied.

Aug. 29. Tushanchen, in Anhwei, is captured. The Cultural Council of East Asia holds its inaugural meeting at Peking.

SEPTEMBER

Sept. 1 Reichsführer Hitler of Germany holds a conference with Konrad Henlein, head of the Sudeten Nazi Party of Czechoslovakia.

The East Asia Institute for Research is established in Tokyo.

An ordinance restricting supply of newsprint is enforced in Japan.

Sept. 3 Mahuiling, near Kuling, is captured.

Sept. 5 The Japanese Government notifies the British, American, German and Italian ambassadors in Tokyo that it will protect the vested rights and interests of third Powers in China.

Sept. 6 Japanese forces capture Kwangchi, a key point of the first defence line for Wuchang and Hankow.

Sept. 7 A large body of Japanese reinforcements lands at Tangku.

The Czech situation grows increasingly serious.

Sept. 10 A new radio broadcasting station is opened at Nanking.

Naotake Sato and Hachiro Arita are appointed Foreign Office Advisers, which posts have newly been created by the present Cabinet.

Sept. 11 Fuchinshan is captured.

Sept. 14 Matowchen falls into Japanese hands.

The Manchoukuoan-German trade agreement is officially signed at Hsinking.

Sept. 15 Visiting Germany by airplane, the British Prime Minister confers with Reichsführer Hitler on the Czech situation.

Sept. 16 Shangcheng is reduced.

A conference is opened between representatives of Japan and Peru in Tokyo to discuss trade questions.

Sept. 17 Wusueh, in Hupei Province, is occupied.

Sept. 19 The Provisional Government of China announces several reforms effected in its organization.

The Council of the League of Nations adopts China's appeal for the invocation of Article 17 of the League Covenant and sends an invitation to Japan.

Sept. 20 Kwangshan is captured. A general outline of the organization of the Federal Committee of the Provisional and Renovation Governments of China is made public.

Sept. 21 The Japanese Cabinet decides to reject the recommendation of the League of Nations based on the invocation of Paragraph 1 of Article 17 of the League Covenant.

Sept. 22 The Federal Committee of the two new Governments of the Chinese Republic is inaugurated with appropriate ceremonies.

Reichsführer Hitler and Prime Minister Chamberlain hold their second conference on the Czech situation.

Japan replies to the League of Nations declining to accept the latter's

invitation.

The Bureau for the Encouragement of Savings of the Japanese Government announces that savings during the first eight months of 1938 totalled 4,744 million yen.

Sept. 26 President Roosevelt of the United States addresses personal telegrammes to the heads of the German and Czechoslovakian Governments.

Sept. 27 The Japanese War Department reorganizes its press section into an information bureau.

Sept. 28 The first Japanese air raid is conducted on Yunnan Province.

Reichführer Hitler issues invitations for a Four-Power Conference.

Sept. 29 Japanese troops occupy Tienchiachen.

Ugaki Resigns

General Kazushige Ugaki, Foreign Minister and concurrently Overseas Minister, resigns from the Japanese Cabinet.

Sept. 30 Yuanchu, in Shansi Province, is captured.

Czech Issue Settled

An agreement is signed at the Four-Power Conference at Munich and the Czech problem is settled, with Czechoslovakia accepting this agreement.

In Japan, the Prime Minister is installed as Foreign Minister.

October

Oct. 1 The Japanese Four-Minister Conference adopts a general plan for the organization of a body to deal with the China problem.

German troops begin the entrance into Czechoslovakia.

The newly enacted store law goes into effect in Japan.

The Japan Gold Mining Promotion Company begins operations.

Oct. 3 Japan announces the withdrawal of its cooperation with all committees of the League of Nations. Poland and Hungary set forth their demands for the settlement of the minority problem in Czechoslovakia.

In Japan, His Majesty the Emperor grants an Imperial message regarding work for the assistance and protection of soldiers and donates a sum of three million yen from his private purse.

Oct. 6 The United States makes representations to Japan regarding the security of her vested rights and interests in China.

Oct. 7 The Japanese Cabinet approves the plan to organize an Imperial foundation to be known as the Society for the Assistance and Protection of Soldiers on the basis of the recent Imperial donation.

Japanese Land at Bias Bay

Oct. 12 Japanese forces succeed in landing in South China at Bias Bay in face of the enemy; third Powers are notified of the military operations in South China. Sinyang on the Peking-Hankow Railway is occupied by Japanese troops.

Oct. 15 Waichow, in Kwangtung Province, is captured.

A direct freight service is opened between Japan and China.

Oct. 17 It is announced that 10,334 war dead are to be enshrined at the Yasukuni Shrine in Tokyo at the special festival to be held on October 19.

Oct. 18 Yangsin is occupied.

Oct. 19 Poland signs a treaty of amity with Manchoukuo, thereby extending *de facto* recognition to the latter.

Prince Teh and several other Mongolian leaders arrive in Tokyo.

Oct. 20 Tayeh falls into Japanese hands.

Canton is Taken

Oct. 21 Japanese forces enter the city of Canton at 3:30 p.m.

Oct. 22 Japanese troops succeed in landing from the estuary of the Pearl

River, near Canton. The commander of the Japanese military forces in South China is officially announced to be Lieutenant-General Mikio Furusho, and that of the naval units in the same region to be Vice-Admiral Koichi Shiozawa. Warships and commercial vessels of third Powers on the Yangtze River in the vicinity of Hankow are advised to seek safety elsewhere. General Chen Cheng and other Chinese leaders for the defence of Hankow begin to leave the city.

Japan adopts a link system for rayon yarn contained in hosiery and cotton goods of miscellaneous descriptions.

Oct. 23 The British Navy refuses to follow the Japanese advice to evacuate the Yangtze River in the vicinity of Hankow.

Oct. 24 The British gunboat Sandpiper is accidentally damaged.

Oct. 25 Japanese troops capture a part of Hankow at 4:30 p.m.

Oct. 26 Wuchang is occupied.

Wuhan Cities Completely Occupied

Oct. 27 The three cities of Wuchang, Hankow and Hanyang are completely reduced by Japanese forces at 5:30 p.m. The walled city of Tean also falls into Japanese hands.

An informal economic conference is opened in Tokyo between Japan and Manchoukuo.

Oct. 28 Speaking at the Political Council of China, Chiang Kai-shek announces his determination to continue warfare against Japan.

Japan calls the attention of France to the assistance being given to the Chiang Kai-shek Régime.

New Appointments in Japanese Cabinet

Oct. 29 Hachiro Arita, former Foreign Minister, and Kamei Hatta are installed as Foreign Minister and Overseas Minister respectively in the Japanese Cabinet.

Oct. 31 France decides to forward her shipments of arms bound for the interior of China, which have been accumulating at Hongkong, to their destinations via Haiphong.

Chiang Kai-shek publishes an appeal to the entire Chinese nation.

NOVEMBER

Nov. 3 A ceremony is held in Hankow in celebration of the memorial day for the late Emperor Meiji in the presence of T.I.H. Princes Higashikuni and Kaya.

Chiang Kai-shek confers with Sir Archibald Kerr Clark Kerr, British Ambassador to China.

In Japan, the Government issues a statement elucidating future Japanese policy. Prince Konoe delivers a radio address on the same subject. Finance Minister Ikeda gives an interview to the press and discusses long-term economic control.

Nov. 7 The Japanese Foreign Minister notifies third Powers regarding the recent extension of war areas in China. The British, American and French ambassadors in Tokyo hand official notes to the Japanese Foreign Office in connection with the question of free navigation on the Yangtze River.

The inaugural meeting of shareholders of the North China Development Company and the Central China Promotion Company is held in Tokyo.

Nov. 8 The maritime customs at Canton are taken over by the Japanese.

Nov. 11 Yochow, in Hunan Province, falls into Japanese hands.

Nov. 15 Liang Hung-chih, president of the Executive Yuan of the Renovation Government of China, arrives in Japan on an official visit.

LAWS AND ORDINANCES RECENTLY PROMULGATED

PRIME MINISTER'S CABINET

Agreement on Cultural Cooperation between Japan and Germany

(Treaty No. 8 Promulgated on November 26, 1938)

THIS Treaty was signed at Tokyo November 25, 1938 by the Japanese Foreign Minister and the German Ambassador and became effective the same day. The Agreement has for its purpose the strengthening of cultural relations between the two countries and the spreading of mutual understanding and appreciation, thereby promoting the friendship and confidence binding the two nations.

Ordinance Creating a Temporary Planning Bureau in the Department of Agriculture and Forestry

(Imperial Ordinance No. 748 of December 3, 1938)

In view of the urgent need of securing adequate supplies of the principal farm, forest and marine products, this Ordinance provides for the creation in the Department of Agriculture and Forestry of a Temporary Planning Bureau, the duty of which is to formulate plans for the maintenance and expansion of agricultural industries, to attend to the supply of such goods as are needed in conducting those industries and to attend to the adjustment of labour. The Vice-Minister of the Department of Agriculture and Forestry will be *ex officio* chief of the Bureau and under him will be 3 secretaries, 2 technical experts, and 10 clerks.

Organization of a Commission Concerning the National Health Supervision System

(Imperial Ordinance No. 741 of December 6, 1938)

In view of the importance of the National Health Supervision System, a Commission has been created for the purpose of conducting investigations concerning methods of operating this system. The Minister of Welfare will be the president of the Commission, which will consist of not more than 20 members, although temporary members and special advisers may be appointed as deemed necessary.

Amendments to Ordinance No. 257 of 1938 Concerning Creation of the Temporary Occupations Bureau in the Department of Welfare

(Imperial Ordinance No. 769 of December 17, 1938)

Amendments to the Organization of Employment Exchanges

(Imperial Ordinance No. 770 of December 17, 1938)

Amendments to Ordinance No. 451 of 1938 Concerning Appointment of Temporary Officials and Clerks in Employment Exchanges

(Imperial Ordinance No. 771 of December 17, 1938)

These ordinances provide for the handling of affairs in connection with the registration of the people's ability for occupations and of the restrictions on the hiring of employees under the National General Mobilization Law, by the Occupations Bureau in the Department of Welfare and by the Employment Exchanges. In consequence, the Ordinances provide further for the additional appointments of 2 secretaries and 3 technical advisers in the Occupations Bureau and some assistant secretaries in the Employment Exchanges.